



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2021-06-11

MAYORAL COMMITTEE MEETING
TUESDAY, 2021-06-15 AT 10:00

TO The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr N Jindela

COUNCILLORS FJ Badenhorst
P Crawley (Ms)
J Fasser
AR Frazenburg
E Groenewald (Ms)
XL Mdemka (Ms)
S Peters
Q Smit

Notice is hereby given that a Mayoral Committee Meeting will be held via **MS Teams** on **Tuesday, 2021-06-15 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

CHAIRPERSON

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2021-06-15
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Confirmation of Minutes: Mayoral Committee: 2021-05-19



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2021-05-19

MINUTES

MAYORAL COMMITTEE MEETING:

2021-05-19 AT 10:00

MINUTES
MAYORAL COMMITTEE MEETING
2021-05-19
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PRESENT: Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)
Deputy Executive Mayor, Cllr N Jindela

Councillors: FJ Badenhorst
J Fasser
PR Crawley (Ms)
A Frazenburg
E Groenewald (Ms)
XL Mdemka (Ms)
S Peters
Q Smit

Also Present: Councillor WC Petersen (Ms) (Speaker)
Councillor WF Pietersen (MPAC Chairperson)
Councillor E Vermeulen (Ms)
Councillor C Davidse

Officials: Municipal Manager (G Mettler (Ms))
Director: Corporate Services (A de Beer (Ms))
Director: Planning and Economic Development (A Barnes)
Director: Infrastructure Services (D Louw)
Acting Director: Community Services (C Kitching)
Chief Financial Officer (K Carolus)
Senior Audit Executive (F Hoosain)
Manager: Secretariat (EJ Potts)
Senior Administration Officer (B Mgcushe (Ms))

1.	OPENING AND WELCOME
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The Chairperson, Executive Mayor welcomed everyone present to the Mayoral Committee Meeting.

2.	COMMUNICATION BY THE CHAIRPERSON
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Speaker, Munisipale Bestuurder, Burgemeesterskomiteelede, Direkteure

Goeiedag, Good Morning, Molweni, As-salaam Alaikum

- The National Govern Roll-out for the vaccinations of people older than 60 started this week.
- I want to encourage all councillors and residents who qualify to please register for the vaccine and when you get your notification that it is your turn to please get vaccinated

- Registration is easy and can be done on the website – <https://vaccine.enroll.health.gov.za> or WhatsApp the word REGISTER to 0600 123 456 or call *134*832#. You can also call 0860 142 142 for assistance with registration.
- We are entering the third wave of COVID and I want to urge all residents, officials and students to please adhere to the COVID protocol.
 - Avoid large groups
 - WEAR A MASK
 - Sanitize your hands.
 - If the situation escalates out of control we might be faced with a new round of restrictions.
- The IEC has announced the registration dates for the upcoming local elections.
 - Registration weekend will be on 17 and 18 JULY 2021.
 - During that weekend all voting stations will be open and residents who need to reregister or register for the first time can do so.
 - All eligible residents, meaning every resident, 18 years and older by the date of the election must ensure that they are correctly registered.
 - You can also go to the nearest IEC office to update your registration.
 - If you have moved since the last election, please make sure you update your registration.
 - To check on whether or not you are correctly registered, you can visit the IEC's webpage at www.elections.org.za or send an SMS with your ID nr to 32810.

3.	DISCLOSURE OF INTERESTS
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NONE

4.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following applications for leave of absence were approved in terms of the Rules and Order By-law of Council:-

Director: Community & Protection Services (G Boshoff) - 19 May 2021

5.	CONFIRMATION OF PREVIOUS MINUTES
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The minutes of the Mayoral Committee Meeting held on 2021-04-14 were **confirmed as correct.**

6.	STATUTORY MATTERS
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6.1	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2019/20
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Collaborator No: 706555
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 19 May 2021

1. SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2019/20

2. PURPOSE

To submit to Council the Oversight Report on the Annual Report 2019/20 for consideration and approval.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Draft Annual Report 2019/20 was referred by Council, on 31 March 2021, to MPAC which fulfilled the functions of the Oversight Committee. The appointment and mandate of the MPAC/Oversight Committee were informed by the MFMA Circular 32 of 2006.

Committee members, including the two co-opted members, have scrutinised the Draft Annual Report 2019/20 and requested, where required, responses from the relevant Directorates. The Annual Report 2019/20 was objectively reviewed by the MPAC Members to ascertain whether the Annual Report 2019/20 is a true and accurate reflection of the municipality's performance for the 2019/20 financial year. The public was also invited to attend a public hearing to submit any representations on the Annual Report 2019/20. The public hearing was held on 15 April 2021.

At the time of deliberating on the Annual Report 2019/20, the report from the Auditor-General of South Africa (AGSA), as contemplated in terms of Section 121(3)(b) and (d), was not available. Hence, the AGSA's report must still be submitted to the MPAC as soon as it becomes available.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 6.1

- (a) that Council, having fully considered the Oversight Report on the Annual Report 2019/20 of the Stellenbosch Municipality, adopts the Oversight Report 2019/20;
- (b) that Council, having fully considered the Annual Report 2019/20, attached hereto as **ANNEXURE B**, approves the Annual Report 2019/20 with the following reservations:
 - (i) that the Auditor-General's Report 2019/20 be submitted to the MPAC as soon as it is available; and
 - (ii) that the MPAC submits a separate report to Council after the MPAC considered the Auditor-General's Report 2019/20;
- (c) that the Oversight Report 2019/20 be made public in accordance with Section 129(3) of the MFMA; and
- (d) that the Oversight Report 2019/20 on the Annual Report for the 2019/20 financial year be submitted in accordance with Sections 129(2) and 132(2) of the MFMA to the Auditor-General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

6.2	APPROVAL OF THE FOURTH REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022
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Collaborator No: 706595
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 19 May 2021

1. SUBJECT: APPROVAL OF THE FOURTH REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

2. PURPOSE

To submit to Council for adoption:

- (a) The Fourth Review of the Fourth Generation Integrated Development Plan (IDP) 2017 – 2022, attached as **ANNEXURE A**; and
- (b) The public participation inputs, written submissions and Provincial Government LG MTEC findings on the Draft Fourth Review of the Fourth Generation IDP 2017 - 2022, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Integrated Development Plan (IDP) is a 5-year Strategic Plan that is reviewed annually to accommodate changes in the municipal environment, including community priorities. It also informs the budget of the municipality. The Fourth Review of the Fourth Generation IDP 2017 – 2022 details the municipality's actions to address the needs of the community.

The municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible revisions to the priorities listed in the municipal IDP.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 6.2

- (a) that the Stellenbosch Municipality's Fourth Review of the Fourth Generation IDP 2017 – 2022, attached as **ANNEXURE A**, be adopted;
- (b) that the public participation inputs and written submissions on the Draft Fourth Review of the Fourth Generation 2017 – 2022, attached as **ANNEXURE B**, be noted; and
- (c) that an advertisement be placed on the official website of the municipality, municipal notice boards and in the local newspapers notifying the public that the final Fourth Review of the Fourth Generation 2017 – 2022 has been adopted by Council.

6.3	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK: 2021/2022-2023/2024
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Collaborator No: 706713
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 19 May 2021

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK: 2021/2022-2023/2024

2. PURPOSE

The purpose of this report is as follows:

- a) To consider the views/submissions of the local community in terms of Section 23(1) (a) of Municipal Finance Management Act (Act 56 of 2003), herein after called the MFMA and to allow the Executive Mayor to respond to the views of the public envisaged in terms of Section 23 (2) (a) and (b);
- b) To approve the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget-related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003);
- c) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the amount of R444 million of which over the MTREF R144 million will be required in year one, R140 million in year two, and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

3. DELEGATED AUTHORITY

FOR APPROVAL BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

BUDGET

Attached as **APPENDIX 1** is an Executive Summary by the Accounting Officer.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 6.3

- (a) that the High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three-year Capital Budget for 2021/2022, 2022/2023 and 2023/2024, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;

- (e) that the proposed rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the proposed amendments to existing budget-related policies and other policies as set out in **APPENDICES 5 - 31**, be approved;
- (g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R444 millions of which R144 million will be required in year one, R140 million in year two, and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary), and confirm approval of same;
- (h) that Council specifically takes note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (i) that Council takes note of MFMA Circulars 107 and 108 that were published to guide the MTREF for 2021/2022 to 2023/2024 as set out in **APPENDICES 32 – 33**; and
- (j) that Council takes note that the public comments and submissions were taken into account with the compilation of the final budget.

FOR FURTHER DETAILS CONTACT:

NAME	KEVIN CAROLUS
POSITION	DIRECTOR: FINANCIAL SERVICES
DIRECTORATE	FINANCIAL SERVICES
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	kevin.carolus@ Stellenbosch.gov.za
REPORT DATE	26 May 2021

6.4	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2021
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Collaborator No: 706719
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 19 May 2021

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2021

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during April 2021.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 6.4

that Council notes the deviation as listed below for the month of April 2021

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 14/21	19 April 2021	HH Levendal t/a Levendal attorneys	Appointment of a service provider to assist with the drafting of Stellenbosch municipality's explanatory affidavit and to keep a watching brief in the matter between RICMAL GREEN (PTY) LIMITED and another / the unlawful occupiers of PORTION 2,	Exceptional case and it is impossible to follow the official procurement process	Levendal Attorneys were appointed via a Formal Quotation process under FQ 56/20 for an amount of R161 572.64 to assist with the drafting of Stellenbosch Municipality's explanatory affidavit and to keep a watching brief in the matter between Ricmal Green (Pty) Ltd and Another / The Unlawful Occupiers of Portion 2, 3, 4 and the Remainder of the Farm Ruytershove No. 25, Stellenbosch and that the aforesaid appointment is valid and will be applicable for all the services rendered by Levendal Attorneys until	R 115 899.91 (Incl. Vat)

			3, 4 and the remainder of the farm RUYTERSH OVE NO. 25, STELLENBOSCH AND OTHERS ("THE PROPERTY") until the finalisation of the matter.		the finalisation of the matter. The amount quoted was based on the brief, but it is not an exact science as no one can predict the process that unfolds during a court process. An order in the amount of R200 000.00 was issued and an amount of R203 920.61 has been paid over to Levendal Attorneys for services already rendered in the matter. They have relevant background and institutional knowledge applicable to the matter and are best placed to proceed with the matter until the finalisation thereof. It is clear from the process that further work is needed as the matter will only be in Court on 20 and 21 April 2021. Although we have already appointed the attorneys on a normal formal Supply Chain process the costs in the matter is now exceeding the Formal Quotation threshold and order of R200 000 and we have been advised that by SCM that the appointment must now be dealt with as a deviation. It is impractical in the middle of a court process to go out on a tender process for the appointment of a service provider.	
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FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@stellenbosch.gov.za
REPORT DATE	04 May 2021

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
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7.1	COMMUNITY AND PROTECTION SERVICES: (PC: CLLR R BADENHORST)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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7.2.1	CONSEQUENCE MANAGEMENT POLICY
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Collaborator No:
IDP KPA Ref No: Good Governance
Meeting Date: 19 May 2021

1. SUBJECT: CONSEQUENCE MANAGEMENT POLICY

2. PURPOSE

To approve the Consequence Management Policy after consultations have been finalised in the Local Labour Forum and the comments were addressed in the proposed policy.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Draft Consequence Management Policy with which Stellenbosch Municipality seeks to formalise and consolidate the principles of consequence management (encompassing remedial and recourse measures) that can be implemented. In line with the objectives of the MFMA the policy seeks to, amongst others, improve the internal control processes relating to the reporting of allegations of financial misconduct and financial offences to Council.

The policy served before Mayco in July 2019 and was referred to the Local Labour Forum for consultation. The Local Labour Forum completed its discussions and supported that the policy be referred to Council for approval on 27 September 2020. The policy had several comments that had to be addressed before it could be submitted for approval (**APPENDIX A**). The policy (**APPENDIX B**) is now tabled for approval

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.2.1

that the Consequence Management Policy is supported by the Local Labour Forum and recommended to Council for approval.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Ms. Annalene De Beer</i>
POSITION	<i>Director Corporate Services</i>
DIRECTORATE	<i>Corporate Services</i>
CONTACT NUMBERS	<i>021-808 8018</i>
E-MAIL ADDRESS	<u>Annalene.Debeer@Stellenbosch.gov.za</u>
REPORT DATE	<i>29 April 2021</i>

7.2.2	EXTENSION OF CESSION AND ASSIGNMENT OF LEASES: LEASE AREAS OVER REMAINDER FARM 377F AND LEASE AREA 1 OVER ERF 9190: KLEINE ZALZE WINE AND LICIACEPT
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

19 May 2021

1. SUBJECT: EXTENSION OF CESSION AND ASSIGNMENT OF LEASES: LEASE AREAS OVER REMAINDER FARM 377F AND LEASE AREA 1 OVER ERF 9190: KLEINE ZALZE WINE AND LICIACEPT

2. PURPOSE

To make a final determination on the request from Kleine Zalze Wines and Liciaccept to extend the term of Lease Agreement.

3. DELEGATED AUTHORITY

Council must consider the matter

4. EXECUTIVE SUMMARY

On 19 April 2017 Council approved the cession and assignment of the Lease Agreement in relation to Lease Area 1 over Erf 9190 and Lease Area 1 over Farm 377F, Stellenbosch, subject thereto that the cession will be reviewed after June 2020, taking into account the progress with the empowerment and BBEE initiatives for which Liciaccept was established.

During 2020 Kleine Zalze Wines and Liciaccept requested an extension of the Lease Agreement, in line with the above decision. On 28 October 2020 Council considered the matter and decided, in principle, to extend the Lease for another 9 years and 11 months, subject thereto that Council's intention to enter into the agreement be advertised for public inputs/alternative proposals or objections. A public notice to this effect was published. No written inputs/comments or objections were received.

Council must now make a final determination in this regard.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.2.2

- (a) that Council takes note of the fact that no written inputs/objections were received; and
- (b) that Council approves the extension of the Lease Agreement for a period of 9 years and 11 months on condition:
 - i) that a yearly report be submitted to Council regarding Progress of the Black Empowerment entity; and
 - ii) that the possible extension of the Lease Agreement be received/considered after 2029, taking into account the progress of the empowerment and BBEE initiative.

7.2.3	PROPOSED LEASE AGREEMENT FOR ADDITIONAL PARKING PURPOSES: ATTERBURY: PORTION OF LEASE FARM 369P
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

19 May 2021

1. SUBJECT: PROPOSED LEASE AGREEMENT FOR ADDITIONAL PARKING PURPOSES: ATTERBURY: PORTION OF LEASE FARM 369P

2. PURPOSE

To obtain Council approval to enter into a Lease Agreement with Atterbury for the use of a portion of Council-owned land for parking purposes.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Atterbury, the owners of Portion 3 of Farm 961, Stellenbosch has applied to use a portion of Lease Farm 369 for parking purposes.

When this property (Farm 961/3) was previously owned by Medi Clinic, they had an Encroachment Agreement with Council to use the portion of Lease Farm 369P for parking purposes. This area was excluded from the K.W.V Lease Agreement. This agreement, however, lapsed when they sold the property and relocated their offices to the ex-BAT property in Stellenbosch.

Council considered the matter on 25 November 2020 and decided to approve the application in principle, subject thereto that Council's intention so to act be advertised for public inputs/comments or objections.

A public notice was published in Die Burger.

At the closing date no such comments/inputs or objections were received.

However, a subsequent request was received from Atterbury requesting that the term of Lease be for a period of 9 years and 11 months. This request cannot be considered at this stage as the public participation process was dealt with based on a 12 month lease agreement.

Council has also requested the Municipal Manager to follow a process to assess council properties and report back by December 2021. Council is to consider a final determination.

EXECUTIVE MAYORAL COMMITTEE: 2021-05-19: ITEM 7.2.3

RESOLVED

- (a) that note be taken of the fact that no comments/inputs or objections were received on the advertisement indicating an intention to lease the property for 12 months;
- (b) that the lease agreement for 12 months be approved;
- (c) that the Municipal Manager be delegated to determine a market-related rental amount; and
- (d) that the new request of Atterbury follows the normal process after the Task Team completed the process on the assessment of Council properties.

7.2.4	PROPOSED LEASE AGREEMENT: FRANSCHHOEK BOWLING CLUB: ERF 2885, FRANSCHHOEK
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

19 May 2021

1. SUBJECT: PROPOSED LEASE AGREEMENT: FRANSCHHOEK BOWLING CLUB: ERF 2885, FRANSCHHOEK

2. PURPOSE

To obtain Council's approval for entering into a lease agreement with the Franschhoek Bowling Club.

3. DELEGATED AUTHORITY

The Executive Mayor, in consultation with the Executive Mayoral Committee, can consider the application under delegated authority.

4. EXECUTIVE SUMMARY

Various Lease Agreements terminated over the past few years, where the contracts did not allow for an automatic renewal. The Supply Chain Management Policy (at the time) also did not provide for the renewal of these agreements, without following a tender process.

The current Property Management Policy, allow for a process whereby Council can dispose without the prescribed, competitive process, subject to Council's intention so to lease the property being advertised for public inputs, before making a final decision. Council delegated the decision for the approval of lease agreements for a period of less than 10 years and with a property value of less than 10 million to the Executive Mayor in consultation with the Executive Mayoral Committee.

The old agreements was kept alive on a month to month basis as long as the rent was paid. The club now requests a renewal, but given that the agreement has officially terminated a new agreement will have to be entered into.

The item served before Mayco in September 2020 and was referred back to enable council to deal with the sport Council establishment and to obtain more information from the club. The item is now resubmitted. The Executive Mayor has also in the meantime requested the Municipal Manager to provide a full categorisation report on properties by December 2021 and in the case of the Tennis club resolved that a month to month contract be concluded until the report has served before council and council could make a determination on the different categories of council properties.

The constitution of the club is attached as **APPENDIX 3**. An email from the chairperson providing information on the membership and their activities within the community is attached as **APPENDIX 4**.

EXECUTIVE MAYORAL COMMITTEE: 2021-05-19: ITEM 7.2.4**RESOLVED**

- (a) that a portion of Erf 2885, Franschhoek, be identified as land not needed for own use during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;
- (b) that a month-to-month lease agreement be approved until the process with the property register has been compiled and considered by Council to determine the future of Council properties per category;
- (c) that the intended new lease agreement in paragraph (b) be compiled based on the terms and conditions of the lease agreement previously entered into;
- (d) that the Bowling Club pay their municipal account and that the Municipal Manager be mandated to determine the lease amount;
- (e) that the Municipal Manager be mandated to take the necessary steps to ensure the drafting and finalisation of the property register and submit it to Council by not later than December 2021; and
- (f) that the item be brought back to Council as soon as the Property Register has been adopted by council.

FOR FURTHER DETAILS CONTACT:

NAME	PIET SMIT
POSITION	MANAGER: PROPERTY MANAGEMENT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2021 – 03 - 08

7.2.5	FUTURE IN REGARD TO LEASE PORTIONS 528A AND 529CC: MOUNTAIN BREEZE CARAVAN PARK
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

19 May 2021

1. SUBJECT: FUTURE IN REGARD TO LEASE PORTIONS 528A AND 529CC: MOUNTAIN BREEZE CARAVAN PARK

2. PURPOSE

To inform council that, following the decision on 2021-03-31 to allow for an extension of the existing Lease Agreement on a month-to-month basis, the Mountain Breeze Caravan Park CC has decided not to proceed with the agreement beyond 30 June 2021.

Some of the current long term residents through an attorney has written a letter wanting to secure the right to continue with the lease, but they are not organised in any legal entity. Council must now consider a way forward.

3. DELEGATED AUTHORITY

The Municipal Council must consider the matter.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and Stellenbosch Caravan Park cc (Malan) concluded a long-term Lease Agreement during 1992 for a period of 30 years (1 April 1991-31 March 2021)

This Lease Agreement was later ceded to the Mountain Breeze Caravan Park CC (Visser).

The lease Agreement expired on 31 March 2021, but at a Council meeting held on 31-03-2021 Council has decided to extend the current Lease Agreement on a month-to-month basis. The Lessee has subsequently indicated that they will vacate the property by 30 June 2021 (**APPENDIX 4**).

Some of the current long term residents through an attorney has written a letter indicating that they are not going to vacate the property and requesting to secure the right to continue with the lease, but they are not organised in any legal entity (**APPENDIX 5**). Council has requested the municipal manager to assemble a TASK team to provide a report on the different types of properties owned by Council by December 2021. This is one of the properties that will then be discussed and taken a decision on. The task team is already busy with their process. The property fall in the over R10 million category and any disposal thereof will require a public participation process that involves the publication of an information statement.

From 1 July the Municipality will have to take over the security/access control of the facility/ collecting the rent and money for people who stay in the park as well as the bookings. There is no post on the organogram or warm body for this purpose. It can be dealt with by a temporary appointment until a decision is taken after the report on the properties was decided on. The other alternative is that discussions takes place with the current supervisor/janitor and his wife to be temporary employed by the municipality. Both of these options will have a cost implications. The municipality will

also have to enter into agreements with the long term occupants to regulate the rent and other services payments directly to the municipality should they be allowed to stay on after 30 June 2021. They have been given notice by the lessee to vacate the property.

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.2.5

that the item be submitted to Council for consideration.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@ Stellenbosch.gov.za
REPORT DATE	13-05-2021

7.2.6	PROPOSED LEASE AGREEMENT: ERF 4, LA MOTTE: NEW APOSTOLIC CHURCH: LA MOTTE
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

19 May 2021

1. SUBJECT: PROPOSED LEASE AGREEMENT: ERF 4, LA MOTTE: NEW APOSTOLIC CHURCH: LA MOTTE

2. PURPOSE

To consider an application (unsolicited) from Mr James Eksteen, the Leader of the New Apostolic Congregation in La Motte, to use the facility on erf 4, La Motte, for church services.

3. DELEGATED AUTHORITY

In terms of the approved System of Delegations, the Executive Mayor, in consultation with the Executive Mayoral Committee, can consider applications for the lease of council-owned property for a period shorter than 10 years and a contract value of less than R5M.

4. EXECUTIVE SUMMARY

An application has been received from the La Motte New Apostolic Congregation to use the facility on erf 4, La Motte for church purposes.

The policy on the Management of Council-owned properties allow for direct leases without following the supply chain process under specific circumstances. Paragraph 9.3 (letting of immovable property to social care uses) list the types of social care uses where unsolicited bids can be entertained, this include "*Place of worship*". The application does not flow from any public participation process not have they occupied the property previously on a rental basis. The property was donated to the Stellenbosch Municipality by the Cape Winelands District Council, but have not been transferred to Stellenbosch Municipality. The Municipality therefore has no legal standing to award any short—or long term rights on the property and will have to ask the Cape Winelands District Municipality for authority to award short term rights until the property is transferred.

The municipality took possession of the property in 2007 and all risks passed to the municipality on taking possession. The transfer did not take place as the Seller is responsible for the transfer and appointing the transferring attorney. There has been issues with the payment of the transferring attorneys by Stellenbosch Municipality as we did not appoint the transferring attorney's. We have agreed with the District Municipality now to appoint the transferring attorneys and they will attend to the transfer shortly.

EXECUTIVE MAYORAL COMMITTEE: 2021-05-19: ITEM 7.2.6**RESOLVED**

- (a) that it be noted that the old clinic site on the portion of erf 4 La Motte is not needed for the provision of municipal services for the period of the proposed lease;
- (b) that it is noted that the municipality is not the owner of the property yet and that the Municipal Manager be authorised to request the necessary authorisation from the Cape Winelands District Municipality to enter into a short term lease with the New Apostolic Congregation in La Motte until the transfer has taken place;
- (c) that a month-to-month lease agreement be approved in principle until the transfer has been approved;
- (d) that the Municipal Manager be authorised to enter into negotiations with the church to determine a suitable rent taking into account any investment the church will make into the site as well as their status as a church under the provisions in the policy associated with non-profit organisations and churches; and
- (e) that the item be brought back to Council after the registration of the properties to Council.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@ Stellenbosch.gov.za
REPORT DATE	2021-05-17

7.2.7	PROPOSED LEASE AGREEMENT: PORTION OF ERF 104, LA MOTTE
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

19 May 2021

1. SUBJECT: PROPOSED LEASE AGREEMENT: PORTION OF ERF 104, LA MOTTE

2. PURPOSE

To consider an application (unsolicited) from the La Motte Neighbourhood Watch to use a portion of the facility on erf 104, La Motte for purpose of an office.

3. DELEGATED AUTHORITY

In terms of the approved System of Delegations, the Executive Mayor, in consultation with the Executive Mayoral Committee, can consider applications for the lease of council-owned property for a period shorter than 10 years and a contract value of less than R5M.

4. EXECUTIVE SUMMARY

An application has been received from the La Motte Neighbourhood Watch to use a portion of the building on erf 104, La Motte, for office purposes. This request does not follow from any public participation process not have they occupied the space before through any lease agreement. Although Erf 104, La Motte, was donated to Stellenbosch Municipality by the Winelands District Municipality in 2009, the property has not yet been transferred to the Municipality. A donation agreement has been signed between the Municipality and the owner of the property (Cape Winelands District Municipality) – **APPENDIX 2**. The Municipality currently have not legal standing to make a decision about the property and the District Municipality will have to give the municipality the authority to enter into lease agreement whilst we await the transfer otherwise the Stellenbosch Municipality has no legal standing.

The municipality took possession of the property in 2007 and all risks passed to the municipality on taking possession. The transfer did not take place as the Seller is responsible for the transfer and appointing the transferring attorney. There has been issues with the payment of the transferring attorneys by Stellenbosch Municipality as we did not appoint the transferring attorney's. We have agreed with the District Municipality now to appoint the transferring attorneys and they will attend to the transfer shortly.

EXECUTIVE MAYORAL COMMITTEE: 2021-05-19: ITEM 7.2.7

RESOLVED

that this item be referred back to administration for further refinement.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@ Stellenbosch.gov.za
REPORT DATE	2021-05-17

7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
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NONE

7.4	HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)
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7.4.1	STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW)
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Collaborator No: 706730
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 19 May 2021

- 1. SUBJECT: STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW)**
- 2. PURPOSE:**
 - a) To request Council to approve the Stellenbosch Municipality's Housing Pipeline (projects) for the next three financial years, for submission to the Provincial Department of Human Settlements (PDoHS);
 - b) To provide a brief to Council on the National and Provincial Departments of Human Settlements' directive on the provision of housing;
 - c) To provide clarity on the determination of priority projects by means of project readiness ranking;
 - d) To obtain Council's support in principle of all the identified projects as listed and fully described in the Housing Pipeline document. Subsequently, the relevant projects will be submitted to the Provincial Department of Human Settlements for approval on the Housing Pipeline; and,
 - e) To report to Council on the progress on existing housing projects that are currently on the approved Housing Pipeline.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.4.1

- (a) that Council takes note of the National and Provincial Departments of Human Settlements' directive on the provision of housing;
- (b) that Council takes note on the method undertaken in the determination of priority projects by means of project readiness ranking;
- (c) that Council takes note of all the identified projects as described in the Housing Pipeline document, which will subsequently be submitted to the Provincial Department of Human Settlements for approval on the Housing Pipeline;

- (d) that Council takes note on the progress of existing housing projects that are currently on the approved Housing Pipeline;
- (e) that the Housing Pipeline be reviewed on an annual basis to align the project readiness with the DORA allocation;
- (f) that the projects under construction (within the implementation phase) as reflected in the below table be supported in accordance with the appropriate funding and relevant provincial approvals as well as available bulk infrastructure capacity:

For the Financial Year 2021/2022

	Project Name	Housing Programme	Opportunities
1	Erf 9445 Stellenbosch Ida's Valley (166)	FLISP	166 sites
2	Vlottenburg Longlands Village Phase 3 (144)	IRDP	138 units 6 sites
3	The Steps and Orlean Lounge, Cloeteville	Rectification (municipal)	161 existing units
4	Smartie Town, Cloeteville	Rectification (municipal)	106 existing units
5	Kayamandi Zone O (711)	UISP	78 sites funding approval in 2021/22. Remaining 112 of the current phase to proceed after approval of additional funds
6	Kayamandi Watergang Basic Services	ABS	Basic services
7	Watergang Phase 2C – Erf 3603 Kayamandi	UISP	87 sites * in implementation phase; however awaiting decision on the way forward

- (g) that the projects currently in the pre-planning and/or planning phases as reflected in the below table be supported in accordance with the appropriate funding and relevant provincial approvals:

For the Financial Years 2021/2022 and 2022/2023 (with funding)

	Project Name	Housing Programme	Opportunities	Phase
1	Botmaskop (1500)	Social Housing, IRDP, FLISP	1500 sites (type TBD)	Feasibility 2021-22 Planning 2023-25
2	Farms 81/2 and 81/9 Stellenbosch	Social Housing	± 250 – 350 rental units	Planning 2021-22 Implement 2023-25
3	Erf 7001 Stellenbosch, Cloeteville ("Soek-mekaar")	IRDP, FLISP	250 – 300 sites	Planning 2021-22 Planning and implement 2023-25

4	Jamestown Development: Phase 2 - 4	IRDP, FLISP	2 000 sites	Planning (phase 4) and Implementation (phase 2,3) 2021-22
5	Erven 412, 217 and 284 Groendal, Franschhoek	IRDP, FLISP	150 – 200 sites	Planning 2021-22
6	Kayamandi Town Centre	UISP, Institutional	1847 top structures (units)	Planning 2021-22
7	Northern Extension, Kayamandi	IRDP, FLISP	4000 – 6000 sites	Planning 2021-22
8	Erf 3229 Franschhoek (Mooiwater)	UISP	258 sites	Planning 2021-22
9	Erf 64 Kylemore	IRDP	171 top structures (units)	Planning 2021-22
10	La Motte Old Forest Station	IRDP, FLISP	830 + 283 sites	Planning 2021-22 and 2023-25
11	Lapland Precinct	Social Housing	368 top structures	Planning 2021-22
12	3256 Franschhoek Langrug (1900)	UISP	1900 serviced sites	Planning 2021-22
13	Erf 2183 Klapmuts, La Rochelle	UISP	100 serviced sites; possible temporary relocation units	Planning 2021-22
14	Maasdorp Village, Franschhoek	Township Establishment	16 existing units	Planning (land use rights) – 2021-22
15	Enkanini	UISP	1300 sites	Planning 2021-22

- (h) that the projects currently in the pre-planning and/or planning phases as reflected in the below table be supported, subject to funding approval:

For the Financial Years 2021/2022 and 2022/2023 (subject to funding)

	Project Name	Housing Programme	Opportunities	Phase
1	Portion of Erf 7271 Stellenbosch, Cloetesville	BNG, FLISP	168 serviced sites (top structures TBD)	Pre-planning 2021-22 Planning 2023-25
2	Erven 6300, 6847, 6886 Stellenbosch, Cloetesville	FLISP	279 sites	Pre-planning 2021-22 Planning 2023-25
3	Erf 8776 Stellenbosch, Cloetesville	FLISP	37 sites	Pre-planning 2021-22 Planning 2023-25

4	Erf 6705 Stellenbosch, Cloeteville	BNG	12 units /top structures	Pre-planning 2021-22 Planning 2023-25
5	Adam Tas Corridor	IRDP, FLISP, Social Housing	3500 – 5000 serviced sites (top structures TBD)	Planning 2023-25
6	Teen-die-bult Precinct	Social Housing	180 top structures	Pre-planning 2021-22 Planning 2023-25
7	3460 Meerlust, Franschhoek (200)	IRDP	200 top structures (units)	Pre-planning 2021-22 Planning 2023-25
8	Jonkershoek	Township Establishment, IRDP, FLISP	Units and sites TBD, together with 40 existing units	Pre-planning 2021-22 Planning 2023-25
9	Farm 34 Vaaldras Elsenburg	IRDP, FLISP	283 top structures (units)	Pre-planning completed 2021-22 * outside urban edge

** All projects continuation subject to Council approval for each phase to proceed to the next*

- (i) that the projects currently considered in the pre-planning phase as reflected in the below table be supported for future financial years from 2023/2024 and beyond, and subject to appropriate funding and relevant provincial approvals:

For the Financial Years from 2023/2024 and beyond

	Project Name	Housing Programme	Opportunities
1	Droë Dyke	IRDP, FLISP, Social Housing	1000 sites (type TBD)
2	Portion 7 of Farm 744 Paarl, Klappmuts	IRDP/ FLISP	850 sites
3	La Colline Precinct	Social Housing	TBD

FOR FURTHER DETAILS CONTACT:

NAME	Lester van Stavel
POSITION	Manager: Housing Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 8462
E-MAIL ADDRESS	Lester.vanstavel@stellenbosch.gov.za
REPORT DATE	7 May 2021

7.4.2	CLOETESVILLE FEASIBILITY STUDY FOR INFILL HOUSING DEVELOPMENT OF THE FOLLOWING: ERF 8915; ERF 7135; ERF 7181, ERF 6668; ERF 7271; ERF 6847, ERF 6886, ERF 6300; ERF 8776; ERF 6705 AND ERF 6767, CLOETESVILLE
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Collaborator No:	706763
IDP KPA Ref No:	Good Governance
Meeting Date:	19 May 2021

1. SUBJECT: CLOETESVILLE FEASIBILITY STUDY FOR INFILL HOUSING DEVELOPMENT OF THE FOLLOWING: ERF 8915; ERF 7135; ERF 7181, ERF 6668; ERF 7271; ERF 6847, ERF 6886, ERF 6300; ERF 8776; ERF 6705 AND ERF 6767, CLOETESVILLE

2. PURPOSE

To report to Council on the feasibility to determine the urgent housing needs and the suitability of the sites as residential development. The study is to investigate the housing requirements of backyarders in Cloetesville and Stellenbosch areas.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality is actively involved in creating housing opportunities for the disadvantaged; however there are an array of challenges including resources and allocations from National and Provincial Government as well as the availability of land for housing (Integrated Development Plan IDP 2017-2022, 2019, p. 150). This project serves as a means to develop vacant and underdeveloped portions of land within Cloetesville to address the housing need. This report will conduct a site investigation of the relevant properties, make recommendation on the highest and best use and provide a concept plan to illustrate the potential of the site.

The following section provides detailed information on each of the sites under investigation. The screening focuses on land and legal, environmental and infrastructure. The following sites were under investigation:

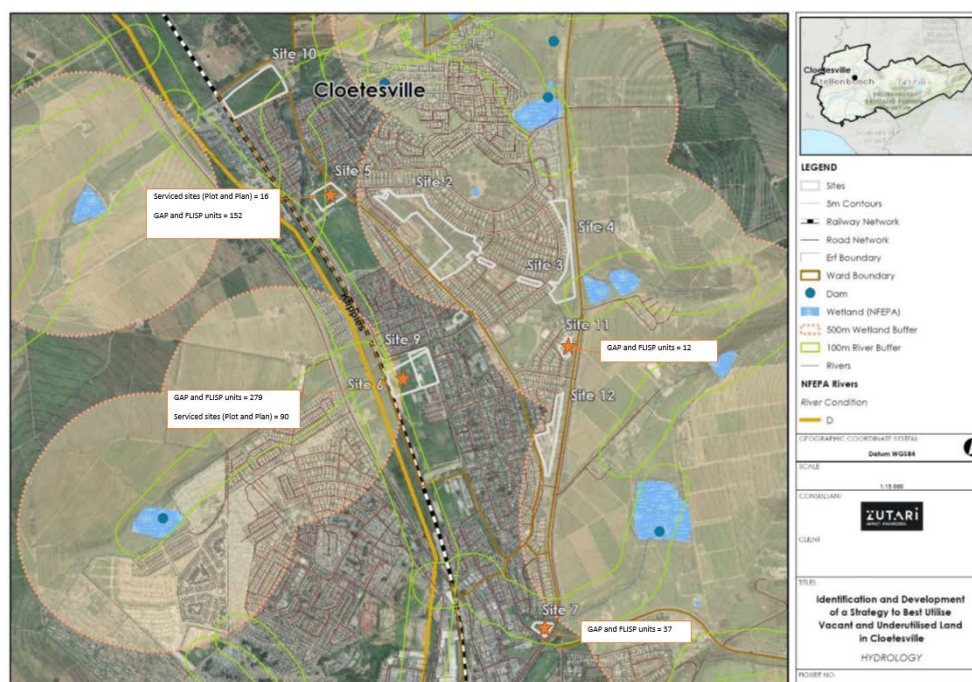


Figure 1: Map illustrating the location of each the sites

SITE	TYPE	YIELD	CONSTRAINTS	OPPORTUNITIES	RECOMMENDATION
Site 2: Erf 8915	Serviced sites (Plot and Plan)	84	steep slope; insufficient infrastructure demand.	Potential to develop the site as serviced sites only.	It should be noted that due to the steep slope the cost for serviced sites could be extremely high but needs to be investigated for further viable solutions.
Site 3: Erf 7135	Open space	0	A substation is located on the property	Utilised as an open space	Not recommended for future residential development
Site 4: Erf 7181, Erf 6668	Serviced sites (Plot and Plan) GAP and/or FLISP units	17 65	no direct access soil conditions poor significant bulk earth works 50% of the site is developable	Site allows for a mix of opportunities - single residential & and high-rise apartment buildings	<ul style="list-style-type: none"> Limited opportunities at high cost. Need to further investigate for viable solutions.
Site 5: Erf 7271	Serviced sites (Plot and Plan) GAP and/or FLISP units	16 152	Swartland Shale Renosterveld vegetation	<ul style="list-style-type: none"> Each high-rise building provide safe recreational space; Concept plan makes provision for pedestrian walkways. 	Serviced sites (Plot and Plan)
Site 6: Option 1: Erf 6847, Erf 6886, Erf 6300 Option 2:	<ul style="list-style-type: none"> GAP/ and or FLISP units Serviced sites (Plot and Plan)	279 90	Within 100m from a stream – to be considered during design	The outdoor gym is effectively being used as a hangout area for the youth	<ul style="list-style-type: none"> A small apartment block is proposed Each high-rise building is designed with an internal courtyard which provide safe recreational space. Serviced sites (Plot and Plan)
Site 7: Erf 8776	<ul style="list-style-type: none"> GAP/ and or FLISP units 	37	An ESA is located to the north of the site along the stream which should be avoided	Park has great significance to the community U-shaped building will provide the opportunity to develop accommodation	<ul style="list-style-type: none"> Ideal location for a high-rise building.
Site 11: Erf 6705	<ul style="list-style-type: none"> GAP/ and or FLISP units 	12	<ul style="list-style-type: none"> Title Deed restrictions visual impact - R44 Significant groundwater	in an established residential neighbourhood lends itself to be developed	Proposed housing typology should blend with the existing houses

SITE	TYPE	YIELD	CONSTRAINTS	OPPORTUNITIES	RECOMMENDATION
Site 12: Erf 6767	2 additional sites identified for human settlement development		<ul style="list-style-type: none"> Number of apartment blocks are located on the site. Title Deed restrictions Lang Road (Langstraat-Suid) will be greatly impacted by the development of any/all of the sites 	<ul style="list-style-type: none"> Both sites are located within the Restructuring Zone: Remainder Farm 173; and Remainder Farm 16455 	Investigate social housing development

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.4.2

- (a) that the outcome of the feasibility study be noted;
- (a) that the appropriate land use rights be obtained as a matter of urgency taking into consideration the Rapid Land Release programme;
- (b) that the delay caused by COVID-19 pandemic linked to the previous timeframes as stated by Council, be noted;
- (d) that the following sites be prioritised for development potential:
- Site 5: 16 Serviced sites (Plot and Plan)
152 GAP and/ or FLISP
 - Site 6: Option 1: 279 GAP and/ or FLISP
Option 2: 90 Serviced sites (Plot and Plan)
 - Site 7: 37 GAP and/ or FLISP
 - Site 11: 12 GAP and/ or FLISP; and
- (e) that funding application be submitted within 30 days after Council approval to the Provincial Department of Human Settlements (PDoHS).

FOR FURTHER DETAILS CONTACT:

NAME	Lester van Stavel
POSITION	Manager: Housing Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021- 808 8462
E-MAIL ADDRESS	Lester.vanstavel@ Stellenbosch.gov.za
REPORT DATE	12.04.2021

7.5	INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT)
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7.5.1	INTEGRATED WASTE MANAGEMENT PLAN FOR STELLENBOSCH MUNICIPALITY
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

19 May 2021

1. SUBJECT: THE INTEGRATED WASTE MANAGEMENT PLAN FOR STELLENBOSCH MUNICIPALITY

2. PURPOSE

For Council to adopt the Integrated Waste Management Plan (IWMP) (**APPENDIX 1**).

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

In terms of Section 25 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) each council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (IDP) for the development of the municipality. In relation to waste management, the IDP is required to include sectoral environmental plans which would be an IWMP for waste management.

Stellenbosch Municipality has drafted an IWMP and has appointed JPCE Consulting Engineers (Pty) Ltd (JPCE) to review and finalize this draft IWMP. This revised IWMP has been internally reviewed and has been circulated for public comment.

The public commenting period was from 14 January 2021 – 15 February 2021. A notice was published on 14 January in the Eikestadnuus newspaper and on the Municipal website requesting comments.

Comments were received from the Department of Environmental Affairs and Development Planning and the Franschhoek Heritage and Ratepayers Association. All comments received were incorporated into the final document.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 7.5.1

- (a) that Council accepts the final Integrated Waste Management Plan (IWMP) with all comments being included;
- (b) that Council adopts the 3rd generation Integrated Waste Management Plan (IWMP) as a sectoral plan of the Integrated Development Plan; and
- (c) that Council requests the Provincial Government's Member of the Executive Council (MEC) for Local Government to endorse this Integrated Waste Management Plan (IWMP).

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

7.7	PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR E GROENEWALD (MS))
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NONE

7.8	RURAL MANAGEMENT: (PC: CLLR S PETERS)
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NONE

7.9	YOUTH, SPORT AND CULTURE: (PC: CLLR J FASSER)
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NONE

7.10	MUNICIPAL MANAGER
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NONE

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS
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9.1	ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE : WAY FORWARD
-----	--

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

19 May 2021

1. SUBJECT: ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE : WAY FORWARD

2. PURPOSE

To inform Council of the outcome of negotiations, following Council's decision on 24 February 2021, *inter alia*, to mandate the Municipal Manager “to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch from the Dutch Reform church: Welgelegen”

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and the Dutch Reform Church: Welgelegen concluded an Exchange of Land Agreement in 1995 in terms whereof erf 13246, Stellenbosch (municipal land) was exchanged for two residential erven in Die Boord, being erven 12758 and 12759 (church land) on an equal in value basis. The Agreement, however, has a fall-back clause, indicating that the land must be transferred back to the Municipality should it no longer needed for church purposes. Seeing that the Dutch Reform Church: Welgelegen does not want to use the property for church purposes they have requested that the fall-back clause be enforced, as per the Agreement. Council must agree to the value at which the property is bought back, as per the Agreement.

On 24 February 2021 Council considered the matter and, *inter alia*, decided to mandate the Municipal Manager “to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch from the Dutch Reform Church, Welgelegen” The council resolution *inter alia* mandated the Municipal Manager to negotiate an agreed price with the church.

Following the above decision, a formal offer was made to the Dutch Reform church, based on the current municipal valuation. Following the above offer, the Dutch Reform Church as submitted a counter-offer, based on a valuation obtained by them. In terms of the council resolution the Municipal Manager is now reporting back on the negotiations.

Council must consider the way forward.

5. RECOMMENDATION

For consideration

6. DISCUSSION / CONTENT

6.1 Background

During 1995 Stellenbosch Municipality and the Dutch Reform Church: Welgelegen concluded an Exchange of Land Agreement, in terms whereof erf 13246, Stellenbosch (municipal owned land at the time) was exchanged for two residential erven (church land) in Die Boord on an equal in value basis.

6.1.1 Application to enforce buy-back clause

During 2019 the Dutch Reform Church: Welgelegen requested the enforcement of the buy-back clause, as provided for in the Exchange of Land Agreement.

5.1.2 Council Resolution

On 24 February Council considered the matter, and resolved as follows:

- "a) *that Council invokes the buy-back clause;*
- b) ***that the Municipal Manager be mandated to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch, from Dutch Reform Church: Welgelegen; and***
- c) ***that the Municipal Manager reports back to Council on the price before a final decision is made and the sale agreement is signed".***

A copy of the agenda item is attached as **APPENDIX 1**.

6.1.3 Offer to Dutch Reform Church

Following the above Council-resolution, the Municipal Manager formally submitted a written offer to the Dutch Reform Church, based on the current municipal valuation of R2 700 000.00. A copy of the Municipal Manager's offer is attached as **APPENDIX 2**.

6.1.4 Counter-offer received from the Dutch Reform Church: Welgelegen

Please find hereto attached as **APPENDIX 3** a counter-offer received from the Dutch Reform Church, based on a valuation obtained by them.

Following the above, the Municipal Manager has requested that the offer be put to Council for their consideration.

6.2 Discussion

6.2.1 Location and context

Erven 12758 and 12759 is situated in Rhodes-North Road, Die Boord, as indicated on Fig 1 and 2, below.



Fig 1: Location and context: Erven 12758 and 12759



Fig 2: Extent: Erven 12758 and 12759

Erf 13246 is located off Wildebosch Road, Paradyskloof, as indicated on Fig 3 and 4, below.



Fig 3: Location and context: erf 13246



Fig 4: Extent Erf 13246

6.2.2 Property description and Ownership

Erf 13246, measuring 9000m² in extent, is registered in the name of the Dutch Reform Church: Welgelegen, by virtue of Title Deed T4376/2001. Although erf 13246 was rezoned to Religious Purposes, this rezoning has lapsed. The zoning has therefor reverted back to Agricultural Use.

Erven 12758 and 12759 measuring 767m² and 720m² in extent respectively, are registered in the name of Stellenbosch Municipality by virtue of Title Deeds T4375/2001. The properties are zone single residential but is used for an early childhood development centre in term of a Lease Agreement (undetermined period).

6.2.3 Contractual situation

In terms of clause 1 of the Exchange of Land Agreement (Ruilooreenkoms) the parties agreed that the properties which were the subject of the exchange, are equal in value.

In terms of clause 13, should erf 13246 not be used for religious purposes by the church, it will be transported back to the Municipality at an amount to be agreed upon by the parties.

6.2.4 Valuation

In terms of valuations obtained from Pendo Property Valuers and DDP, they valued the property at R5 100 000.00 and R4 500 000, respectively. The weighted average is R4 800 000.00.

6.3 Financial Implications

The financial implications is directly linked to the agreed price. In terms of valuations obtained from Pendo Property Valuers and DDP, they valued the property at R5 100 000.00 and R4 500 000, respectively. The weighted average is R4 800 000.00. The valuation report also formed part of the item that served before council on 24 February 2021. The municipal valuation is R2 700 000.00.

6.4 Staff Implications

No additional staff implications

6.6 Previous / Relevant Council Resolutions

On 24 February Council considered the matter, and resolved as follows:

- "a) *that Council invokes the buy-back clause;*
- b) *that the Municipal Manager be mandated to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch, from Dutch Reform Church: Welgelegen; and*
- c) *that the Municipal Manager reports back to Council on the price before a final decision is made and the sale agreement is signed".*

6.7 Risk Implications

The risks are addressed in the item and previous items that served before Council.

6.8 Comments from Senior Management

Seeing that this is a report back from the Municipal Manager no comment were requested from Senior Management.

EXECUTIVE MAYORAL COMMITTEE: 2021-05-19: ITEM 9.1**RESOLVED**

that this item be referred back to administration for further discussions.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088750
E-MAIL ADDRESS	Annlene.deBeer@ Stellenbosch.gov.za
REPORT DATE	2021-05-18

9.2	ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES – STATUS QUO
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Collaborator No:
IDP KPA Ref No:
Meeting Date:

Dignified Living
19 May 2021

1. SUBJECT: ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES – STATUS QUO

2. PURPOSE

To provide Council with a *status quo* on the processes the Municipality have followed to ultimately appoint a suitable and accredited SHIs and/or ODAs for the development and management of rental stock for families earning between R1 500 and R15 000.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality was identified by the Western Cape Provincial Administration as one of “Leader Towns” in the Province that have the necessary capacity to partake in the Social Housing Programme. Accordingly, there are not many land transactions that could be followed as best practices in order to expedite the delivery on Social Housing.

Notwithstanding, the Division Integrated Human Settlements can report on the following progress:

- 1) Feasibility report has been completed and approved by Council on 2 February 2020, Item 7.4.1;
- 2) The Public Participation Process completed and approved by Council on 29 July 2020, Item 11.4.1; and
- 3) The Call for Proposals is currently being finalised by the Department: Housing Development.

There are some challenges that the Municipality is currently experiencing (partly as result of the limited experience on how to roll out the Social Housing programme by Municipalities). One of these challenges is the time it takes to receive assistance/input on any related matter from relevant stakeholders involved in Social Housing. Case in point on the final inputs on the specifications for the Call for Proposals.

5. RECOMMENDATION

That Council takes note of the *status quo* and progress to date.

6. DISCUSSION / CONTENT

6.1 Background

Stellenbosch Municipality was identified by the Western Cape Provincial Administration as one of “Leader Towns” in the Province that have the necessary capacity to partake in the

Social Housing Programme. Accordingly, there are not many land transactions that could be followed as best practices in order to expedite the delivery on Social Housing. Notwithstanding, the Division Integrated Human Settlements can report on the following progress:

- 1) Feasibility report has been completed and approved by Council on 2 February 2020, Item 7.4.1;
- 2) The Public Participation Process completed and approved by Council on 29 July 2020, Item 11.4.1; and
- 3) The Call for Proposals is currently being finalised by the Department: Housing Development.

There are some challenges that the Municipality is currently experiencing (partly as result of the limited experience on how to roll out the Social Housing programme by Municipalities). One of these challenges is the time it takes to receive assistance/input on any related matter from relevant stakeholders involved in Social Housing. Case in point on the final inputs on the specifications for the Call for Proposals.

A Call for Proposal was drafted and served at the Bid Specification Committee (BSC) during October 2020. The BSC request that the user department must liaise with the Provincial Department of Human Settlements (PDoHS) as well as the Social Housing Regulatory Authority (SHRA) to give input on the formulation of the specifications for the Call for Proposals.

Several strategic sessions were held with the SHRA, PDoHS and the Department of Human Settlements (Affordable Housing) - WCG to provide input on the specifications and criteria for the Call for Proposals.

During November 2020, the SHRA made one of their senior officials available to engage with the Municipality and assist with the compilation of the specifications. After all inputs were received from the various specialists in the Social Housing environment, a submission was made to the BSC during January 2021 for approval. At the said meeting, the BSC highlighted certain procurement requirements that were not included in the Call for Proposal. The BSC referred the draft Call for Proposal back to the user department in order to finalise the scoring criteria with SHRA and PDoHS. The Department: Supply Chain Management has also liaise with the Provincial Treasury on the legalities pertaining to the preferential scoring criteria in terms of the 90/10-point system.

A strategic workshop was held on 18 March 2021 with National Association of Social Housing Organisations (NASHO) to look at a viable development concept that makes optimum use of the identified site and to create a plan for partnering with SHIs and/or ODAs.

Notwithstanding the above challenges, the user department appointed three (3) professional service providers to undertake additional studies (geotechnical investigation, flood line studies and a traffic impact assessment) on Farm 81/2 and Farm 81/9, Stellenbosch which will form part of the Call for Proposal.

In order for the Integrated Human Settlements officials to gain further experience in the Social Housing environment, a Municipal Social Housing Support Programme (MSHSP) workshop is scheduled on 19 and 20 May 2021 to explore ways of developing a structured platform for mechanisms to improve the implementation of Social Housing projects.

6.2 Discussion

The action plan and projected timelines are outlined below for the Social Housing implementation process at Stellenbosch Municipality:

	Milestone	Activity/ies	Targeted Timeline	Comments / Progress
1.	Items to Council for the in-principle approval of the recommendations made in Feasibility Study Reports for the development of Social Housing Estates in the specified Restructuring Zones areas	The recommendations in this item were approved by Council in the January and February 2020 Council Meetings	Achieved	
2.	Item to Council to get consent to advertise the intention to enter into Long-Term Lease Agreements/ Land Availability Agreements(LAA) with SHIs/ ODAs, for Public Input	This item was approved by Council in May 2020	Achieved	
3.	Public Participation Process	Adverts for the PPP have been placed in the print media and on the municipal website.	Achieved	
4.	Item to Council to provide feedback on the Public Input and obtain mandate for the Administration to commence with and conclude the Public Competitive Bid Process	An Item on Feedback after the Public Participation Process has been compiled and is ready for tabling at the 29 July Council Meeting.	Achieved	
5.	Appointment of service providers to undertake specialist studies	<ul style="list-style-type: none"> • Geotechnical study • Floodline study • Traffic Impact assessment 	<ul style="list-style-type: none"> • Appointment of services providers concluded in April 2021. • Draft studies to form part of the Call for Proposal 	Draft reports have been received by the user department. It is currently under review.
6.	Advertisement of the Public Competitive Bid for 1 month	Final approval of Terms of Reference (ToR) Public Competitive Bid Process	End June 2021	Advertising of the Call for Proposal during the first week of July 2021.

7.	Public Competitive Bid procurement process for the Call for Proposal	<ul style="list-style-type: none"> • Advertisement period (30 days) • Evaluation and awarding of bid (30 days) • Appeal period (21 days) • Appointment of service provider (10 days) 	From July 2021 – September 2021	Assistance will be sort from specialist/s in the Social Housing environment (PDoHS, SHRA and NASHO) with the evaluation of the tender.
8.	Item to Council on the outcome of the successful service provider and provisions/ conditions in the Land Availability Agreement (LAA).	Compile an item for Council	November 2021 (taking into consideration possible local government elections)	The LAA will <i>inter alia</i> explore the incentives for a successful development of affordable rental stock with SHIs and/or ODAs.
9.	Signing of Long-Term Lease Agreements/ Land Availability Agreements with successful SHIs and/or ODAs	Develop and obtain approval on Long-Term Lease Agreements/ Land Availability Agreements with SHIs and/or ODAs	January 2022	Only after Council decision has been taken, a LAA will be concluded with the successful SHIs and/or ODAs.

6.3 Financial implications

There are no financial implications for the Municipality.

6.4 Legal Implications

The recommendations contained in this report comply with Council's policies and relevant legislation.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.4.2

- (a) that the land in question, remainder of Erf 2149, Stellenbosch (Lapland flats), Remainder of Farm 180 (open spaces near Teen-die-Bult flats) and Erf 81/2 and Erf 81/9 Stellenbosch, be identified as land parcels not needed for the municipality's own use during the period for which the right is to be granted;
- (b) that Council, in principle, approves the Municipality's entering into Land Availability Agreements with SHIs and ODAs successful in the Public Competitive Process (with SHIs and ODAs successful in the Public Competitive Process in terms of Regulation 34(1) (b)

of the Asset Transfer Regulation (ATR), read with paragraph 9.2.2.1 (l) of the Policy on the Management of Council owned property, subject to the following conditions:

- (i) that Council's intention so to act, i.e. the awarding of rights on a private treaty agreement basis, be advertised for public comments;
 - (ii) that, simultaneously, the public participation process envisaged in Regulation 35 of the ATR be followed;
 - (iii) that a Lease Agreement be concluded, based on a 40 year term based on applicable tariffs;
 - (iv) that the Lease Agreement provide for review/revision, should the need arise for further development/redevelopment of the area; and
- (c) that, following the public participation process referred to above, a report be submitted to Council in order for Council to give a mandate to the Administration to proceed with the Public Competitive Process that will result in the awarding of the long-term use rights.

6.7 Risk Implications

None

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-05-19: ITEM 9.2

that Council takes note of the *status quo* and progress to date.

FOR FURTHER DETAILS CONTACT:

NAME	Lester van Stavel
POSITION	Manager: Housing Development
DIRECTORATE	PLANNING & ECONOMIC DEVELOPMENT
CONTACT NUMBERS	021-808 8462
E-MAIL ADDRESS	Lester.Vanstavel@ Stellenbosch.gov.za
REPORT DATE	2021-05-18

10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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SEE IN-COMMITTEE DOCUMENTATION

The meeting adjourned at 13:00

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments**

6.	STATUTORY MATTERS
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6.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2021
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Collaborator No: 708328
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 June 2021

1. SUBJECT:MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2021

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during May 2021.

5. RECOMMENDATIONS

That Council notes the deviations as listed for the month of May 2021.

6. DISCUSSION / CONTENTS

6.1. Background/Legislative Framework

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may allow the accounting officer—

(a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

6.2. Discussion

Reporting the deviations as approved by the Accounting Officer for May 2021:

The following deviation was approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 15/21	03 May 2021	Adapt IT Holding Ltd	CaseWare Financial Reporting System	Goods or services are produced or available from a single provider	Adapt IT holdings Ltd is the sole distributor of CaseWare software products in Africa. The municipality has used CaseWare as its financial reporting system since April 2010.	R 572 259,26 (Incl. Vat)

6.3 Financial Implications

As per table above.

6.4 Legal Implications

The regulation applicable is:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.

6.5 Staff Implications:

No staff implications

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level. The auditor general also audit the deviations during the yearly audit.

6.8 Comments from Senior Management:

The item was not circulated for comment except to Municipal Manager

6.8.1 Municipal Manager

Supports the recommendations.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Kevin Carolus
<i>POSITION</i>	<i>CFO</i>
<i>DIRECTORATE</i>	<i>Finance</i>
<i>CONTACT NUMBERS</i>	<i>021 808 8528</i>
<i>E-MAIL ADDRESS</i>	<i>Kevin.Carolus@ Stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>02 June 2021</i>

6.2	REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21
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Collaborator No: 708364
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 June 2021

1. SUBJECT: REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21

2. PURPOSE

To obtain Council's approval for the revisions made to the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2020/21.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The TL SDBIP 2020/21 was approved by the Executive Mayor on 24 June 2020. It is common practice for a municipality, as provided for in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), to review its performance indicators and targets after approving the adjustments budget. The TL SDBIP 2020/21 (as approved by Council on 24 February 2021) is attached hereto as **ANNEXURE A**. All changes (for ease of reference) which should be deleted and or amended are indicated with a strikethrough and an underline respectively. It must also be noted that the TL SDBIP 2020/21 is the in-year plan of the municipality and any amendments made to the TL SDBIP 2020/21 must also be read in conjunction with the Integrated Development Plan (IDP). Therefore, changes made to the Revised TL SDBIP 2020/21 are considered to be made in the IDP as well.

The reasons for the amendments to the following KPIs are as follows:

- a) KPI075- Based on the internal audit review by Internal Audit (IA), it was agreed by IA and the KPI owner that the portfolio of evidence (POE) be updated to ensure that complete and accurate data sources are being used to update the actual result of the indicator.

Any detected spelling, grammatical and or alignment errors in the document were also corrected where needed.

No material changes were made to the Revised TL SDBIP 2020/21 submitted to Council on 24 February 2021. The Revised TL SDBIP 2020/21 is aligned to the adjustments budget 2020/21.

5. RECOMMENDATIONS

- (a) that the Revised TL SDBIP 2020/21 be approved;
- (b) that the Revised TL SDBIP 2020/21 be published on the Municipal Website; and
- (c) that the Revised TL SDBIP 2020/21 be submitted to:
 - i. Internal Audit Unit (for notification);
 - ii. Department of Local Government: Western Cape;
 - iii. Provincial Treasury: Western Cape;
 - iv. Auditor General of South Africa; and
 - v. National Treasury.

6. DISCUSSION**6.1 Background**

In terms of the MFMA, the Mayor of a municipality must take all reasonable steps to ensure that the municipality's TL SDBIP is approved within 28 days after the municipal budget has been approved.

The Draft Top Layer SDBIP 2020/21 was made public for public participation during April 2020 as part of the Integrated Development Plan (IDP) and Budget consultative process.

The Municipal Manager, Directors and all affected managers participated in the setting of key performance indicators and targets.

Subsequent to the approval of the IDP and Budget in May 2020, the TL SDBIP 2020/21 was approved by the Executive Mayor on 24 June 2020. Council should note that the provisions of the MFMA allows the Executive Mayor to approve the TL SDBIP within 28 days after the approval of the Budget.

The TL SDBIP 2020/21 was revised and submitted to Council for approval on 24 February 2021 (Council Item 7.1).

6.2 Financial Implications

There are no financial implications beyond that which was approved in the 2020/21 MTRF Budget and Adjustments Budget.

6.3 Legal Implications

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), section 54(1)(c) *"On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72 the mayor must, consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget"*

6.4 Staff Implications

This report has no staff implications to the Municipality.

6.5 Risk Implication

None

6.6 Previous Council Decisions

Item 8.3 on the Council Agenda of 27 January 2021

Item 7.1 on the Council Agenda of 24 February 2021

6.7 Comments from Senior Management**6.7.1 Director: Community and Protection Services**

Supported.

6.7.2 Chief Financial Officer

Supported.

6.7.3 Director: Infrastructure Services

Supported.

6.7.4 Director: Corporate Services

Supported.

6.7.5 Director: Planning and Economic Development

Supported.

6.7.6 Comments from the Municipal Manager

Supported.

ANNEXURES**Annexure A:** Revised Top Layer Service Delivery and Budget Implementation Plan 2020/21**FOR FURTHER DETAILS CONTACT:**

<i>NAME</i>	Shireen De Visser
<i>POSITION</i>	Snr Manager: Governance
<i>DIRECTORATE</i>	Office of the Municipal Manager
<i>CONTACT NUMBERS</i>	021 – 808 8035
<i>E-MAIL ADDRESS</i>	shireen.devisser@ Stellenbosch.gov.za
<i>REPORT DATE</i>	04 June 2021

ANNEXURE A



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY



REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21

(June 2021)

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1. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of the Stellenbosch Municipality, submits the Final Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2020/21 financial year for approval by the Executive Mayor. This Revised TL SDBIP 2020/21 has been prepared in terms of the stipulated requirements as documented in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulations made under this Act.

GERALDINE METTLER
MUNICIPAL MANAGER

Date: _____

2. EXECUTIVE MAYOR'S CERTIFICATE OF APPROVAL

I, Gesie Van Deventer, in my capacity as the Executive Mayor of the Stellenbosch Municipality, hereby approves the Final Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2020/21 financial year as required in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulations made under this Act.

CLLR ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

Date: _____

3. IMPLEMENTATION, MONITORING AND REVIEW – ONE YEAR

The Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half-yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives as contained in the IDP.

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Indicators developed for the Stellenbosch Municipality addresses the Strategic Focus Areas of the Municipality. The Municipality utilises the one-year TL SDBIP to ensure that it delivers of its service delivery mandate by indicating clear indicators and targets. These indicators also forms the basis of the performance plans of the Directors, hence, the Directors are being evaluated on the approved TL SDBIP indicators.

The five necessary components are:

1. Monthly projections of revenue to be collected for each month;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over three years.

4. FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21: PER STRATEGIC FOCUS AREA (SFA)

4.1 SFA 1 - VALLEY OF POSSIBILITY

SFA 1 – Valley of Possibility															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI007	TL58	Planning and Economic Development	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	Programme	All	1 300 per annum	153.10	1 300 job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	400 (400)	900 (900)	1 100 (1 100)	1 300 (1 300)	EPWP reporting system	Outcome
KPI008	TL59	Planning and Economic Development	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	Programme	All	90% per annum	40%	90% of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	90%	90%	90%	90%	Minutes of the MPT Meeting	Outcome
KPI009	TL60	Planning and Economic Development	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Programme	All	4 per annum	5	4 quarterly training opportunities provided for entrepreneurs and SMMEs	1 (1)	1 (2)	1 (3)	1 (4)	Attendance Registers	Output
KPI012	TL61	Planning and Economic Development	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1 Revised Housing Pipeline (document) submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Housing Pipeline (document) to the MayCo	Output

SFA 1 – Valley of Possibility															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI080	TL62	Planning and Economic Development	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	Key Initiative	All	1 per annum	New KPI	1 Tourism Strategic Plan submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	1	Proof of submission of the Tourism Strategic Plan to the Municipal Manager	Output

4.2 SFA 2 - GREEN AND SUSTAINABLE VALLEY

SFA 2 - Green and Sustainable Valley															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI016	TL64	Infrastructure Services	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	Programme	All	1 per annum	1	1 external audit of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	N/A	N/A	N/A	1	Audit report	Output
KPI073	TL65	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Key Initiative	All	2 per annum	New KPI	2 identified waste minimisation projects implemented by 30 June	N/A	N/A	N/A	2 (2)	Waste minimisation report submitted to the Municipal Manager	Output
KPI018	TL63	Planning and Economic Development	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Programme	All	90% per annum	76.29%	80% of building plan applications of <500sqm processed within 30 days after date of receipt	80%	80%	80%	80%	Building plan application register	Outcome
KPI019	TL66	Infrastructure Services	Waste water quality managed and measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	Programme	All	80% per annum	72.72%	70% waste water quality compliance as per analysis certificate measured <u>quarterly</u> by 30 June	70%	70%	70%	70%	Report submitted by the service provider and report from GDS system	Outcome
KPI078	TL52	Corporate Services	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	New KPI	1 Revised Facility Management Plan submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Facility Management Plan to the MayCo	Output

SFA 2 - Green and Sustainable Valley

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI081	TL67	Infrastructure Services	Reduce organic waste	Percentage of organic waste reduced by 30 June	Programme	All	20%	New KPI	20% of organic waste reduced by 30 June	N/A	N/A	N/A	20%	Weighbridge data and monthly progress reports	Outcome
KPI082	TL68	Infrastructure Services	Submission of an Integrated Waste Management Plan to the MayCo	Number of Integrated Waste Management Plans submitted to the MayCo by 31 March	Key Initiative	All	1 per annum	New KPI	1 Integrated Waste Management Plan submitted to the MayCo by 31 March	N/A	N/A	1	N/A	Proof of submission of the Integrated Waste Management Plan to the MayCo	Output

4.3 SFA 3 - SAFE VALLEY

SFA 3 - Safe Valley															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI025	TL49	Community and Protection Services	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 Revised Disaster Management Plan submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Disaster Management Plan to the Municipal Manager	Output
KPI026	TL50	Community and Protection Services	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 Revised Safety and Security Strategy submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Safety and Security Strategy to the Municipal Manager	Output
KPI027	TL51	Community and Protection Services	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 28 February	Programme	All	1 per annum	New KPI	1 Revised Traffic Management Plan submitted to the Municipal Manager by 28 February	N/A	N/A	1	N/A	Proof of submission of the Revised Traffic Management Plan to the Municipal Manager	Output

4.4 SFA 4 - DIGNIFIED LIVING

SFA 4 - Dignified Living															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI037	TL69	Infrastructure Services	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	Programme	All	50 per annum	69	50 waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	N/A	20 (20)	N/A	50 (50)	Completion certificates / Formal request by the Department: Integrated Human Settlements (IHS)	Output
KPI039	TL74	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	Indigent Register	Outcome
KPI040	TL70	Infrastructure Services	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold(incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage average electricity losses measured by 30 June	Programme	All	<9% per annum	7.55%	<9% average electricity losses measured by 30 June	N/A	N/A	N/A	<9%	Monthly Eskom Accounts and Vending Reports from service provider and Notes to the AFS and monthly and annual Consumption reports generated by the Finance Department	Outcome
KPI041	TL71	Infrastructure Services	Water quality managed and measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Programme	All	90% per annum	99.90%	90% water quality level as per analysis certificate measured quarterly	90%	90%	90%	90%	Quarterly Supply System Drinking Water Quality Report - DWA Blue Drop System (BDS)	Outcome

SFA 4 - Dignified Living

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI042	TL72	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	Programme	All	<25% per annum	28%	<25% average percentage water losses measured <u>quarterly</u> by 30 June	<25%	<25%	<25%	<25%	Quarterly water balance sheet and Monthly Consumption Report	Outcome
KPI043	TL75	Financial Services	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	Programme	All	65% per annum	71%	65% of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	65%	65%	65%	65%	Prepaid Electricity Service Provider Report	Output
KPI044	TL76	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI045	TL77	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI074	TL78	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	26 500 per annum	26 088	25 500 formal households with access to water, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output
KPI075	TL79	Financial Services	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	Programme	All	24 000 per annum	26 088	24 000 formal households with access to electricity, measured quarterly	24 000	24 000	24 000	24 000	<u>ValuProp report</u> from management report	Output

SFA 4 - Dignified Living

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI076	TL80	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	26 500 per annum	26 088	25 500 formal households with access to refuse removal, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output
KPI077	TL81	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	26 500 per annum	26 088	25 500 formal households with access to sanitation, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output

4.5 SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

SFA 5 - Good Governance and Compliance															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI055	TL82	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	Programme	All	4 per annum	4.7	4 (months)	N/A	N/A	N/A	4 (months)	Financial Statements	Outcome
KPI056	TL83	Financial Services	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Programme	All	96% per annum	100.24%	96%	N/A	N/A	N/A	96%	Debtors transaction summary: BS-Q909E extract generated from the Samras Financial System	Outcome
KPI057	TL84	Financial Services	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of <u>the</u> approved Capital Budget for the Municipality actually spent by 30 June	Programme	All	90% per annum	87.82%	90% of <u>the</u> approved Capital Budget for the Municipality actually spent by 30 June	10%	30%	60%	90%	Report from the financial system	Input
KPI058	TL43	Office of the Municipal Manager	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	Programme	All	75% per annum	33%	75% of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	N/A	N/A	N/A	75%	Employment Equity Report	Outcome

SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI059	TL53	Corporate Services	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of <u>the</u> municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	Programme	All	0.58% per annum	0.43%	0.58% of <u>the</u> municipality's payroll budget actually spent on implementing its Workplace Skills Plan, measured by 30 June	N/A	N/A	N/A	0.58%	Report from the financial system	Input
KPI060	TL85	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	Programme	All	15% per annum	43.3%	15%	N/A	N/A	N/A	15%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome
KPI061	TL86	Financial Services	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) measured by 30 June	Programme	All	27% per annum	20%	27%	N/A	N/A	N/A	27%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome
KPI062	TL44	Office of the Municipal Manager	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Programme	All	1 per annum	1	1 Revised RBAP submitted to the Audit Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the RBAP to the Audit Committee	Output
KPI063	TL45	Office of the Municipal Manager	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	Programme	All	1 per annum	1	1 AGSA Audit Action Plan submitted to the Audit Committee by 28 February	N/A	N/A	1	N/A	Proof of submission of the AGSA AAP to the Audit Committee	Output

SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI064	TL46	Office of the Municipal Manager	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1 Revised Strategic Risk Register submitted to the Risk Management Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the SRR to the Risk Management Committee	Output
KPI065	TL54	Corporate Services	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 Revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised ICT Backup Disaster Recovery Plan to the ICT Steering Committee	Output
KPI066	TL55	Corporate Services	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 Revised Strategic ICT Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Strategic ICT Plan to the ICT Steering Committee	Output
KPI067	TL47	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Programme	All	1 per annum	1	1 Draft IDP submitted to Council by 31 March	N/A	N/A	1	N/A	Proof of submission of the Draft IDP to Council	Output
KPI070	TL48	Office of the Municipal Manager	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	Programme	All	1 per annum	1	1 IDP / Budget / SDF time schedule (process plan) submitted to Council by 31 August	1	N/A	N/A	N/A	Proof of submission of the IDP / Budget / SDF time schedule (process plan) to Council	Output
KPI071	TL73	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	1 per annum	1	1 Revised Electrical Master Plan submitted to Council by 30 June	N/A	N/A	N/A	1	Proof of submission of the Revised Electrical Master Plan to Council	Output

SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2020/21				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI072	TL56	Corporate Services	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	Key Initiative	All	1 per annum	New KPI	1 Draft Smart City Framework submitted to the MayCo by 31 May December	N/A	N/A	N/A	1	Proof of submission of the Draft Smart City Framework to the MayCo	Output
KPI083	TL57	Corporate Services	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	Key Initiative	All	1 per annum	New KPI	1 Cyber-attack Mitigation and Resilience Strategy submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Output
KPI084	New	Infrastructure Services	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	Programme		1 per annum	New KPI	1 Revised Comprehensive Integrated Transport Plan (CTIPs) submitted to the MayCo by 30 June	N/A	N/A	N/A	1	Proof of submission of the CTIP to the MayCo	Output

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
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7.1	COMMUNITY AND PROTECTION SERVICES: (PC: CLLR R BADENHORST)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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7.2.1	REPORT IN REGARD TO THE AUCTION OF 3 COUNCIL ERVEN IN ONDER- PAPEGAAIBERG
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ITEM WILL BE DISTRIBUTED UNDER SEPARATE COVER

7.2.2	FEEDBACK REPORT IN REGARD TO MOUNTAIN BREEZE CARAVAN PARK
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ITEM WILL BE DISTRIBUTED UNDER SEPARATE COVER

7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
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7.3.1	APPROVAL OF DEBT AGREEMENT
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Collaborator No: 708329
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 15 June 2021

1. SUBJECT: APPROVAL OF DEBT AGREEMENT

2. PURPOSE

To obtain Council's approval for the raising of an external loan in terms of Section 46 (2) of the Municipal Finance Management Act (Act No 56 of 2003).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

During April 2021 an advertisement was placed inviting interested parties to make submissions regarding the financing of the proposed loan of R120 million. Submissions were received from 5 authorised financial institutions:

- (a) Development Bank of Southern Africa (DBSA);
- (b) ABSA Bank;
- (c) Nedbank;
- (d) Standard Bank;
- (e) First National Bank (FNB)

After due process, in terms of the municipality's approved Supply Chain Policy, the offer of Nedbank for the term of 10 years, was adjudicated by the Bid Adjudication Committee and approved by the Municipal Manager as being the most favorable for Council.

5. RECOMMENDATIONS

- (a) that Council approves the debt agreement as stipulated in **APPENDIX 1**; and
- (b) that the Municipal Manager be mandated to enter into a loan agreement with Nedbank (PTY) Ltd.

6.1 Background

That Council specifically notes and considers the need to take up external loans to fund critically needed refurbishment of infrastructure to the amount of R 392,8 million of which over the 2020/21 MTREF R120 million will be required in year 1, R103,8 million in year 2 and R169 million in year 3 (refer to Appendix 2 Table B1 Adjustment Budget Summary) and confirms final approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

6.2 Discussion

The following infrastructure projects, as included in the capital budget and approved by Council on 24 February 2021, requires external loan funding, but it can possibly be used on other capital items as well:

PROJECT NAME	IDP OBJECTIVE	EXTERNAL LOAN FUNDING
Bien don 66/11kV substation new	V alley Of Possibility	R1 500 000
Electricity Network: Pniel	V alley Of Possibility	R3 500 000
Energy Efficiency and Demand Side Management	Green And Sustainable V alley	R1 000 000
General System Improvements - Franschhoek	V alley Of Possibility	R2 000 000
General Systems Improvements - Stellenbosch	V alley Of Possibility	R11 290 198
System Control Centre & Upgrade Telemetry	Good Governance And Compliance	R144 169
Infrastructure Improvement - Franschhoek	V alley Of Possibility	R1 500 000
Expansion of the landfill site (New cells)	Green And Sustainable V alley	R1 051 263
Bulk water supply Klappmuts	V alley Of Possibility	R11 751 157
Bulk water supply pipe and Reservoir: Kayamandi	V alley Of Possibility	R4 500 000
New Reservoir Rosendal	V alley Of Possibility	R14 173 975
Reservoirs and Dam Safety	V alley Of Possibility	R1 500 000
Water Conservation & Demand Management	V alley Of Possibility	R3 000 000
Water Telemetry Upgrade	V alley Of Possibility	R500 000
Water Treatment Works: Idasvalley	V alley Of Possibility	R2 000 000
Waterpipe Replacement	V alley Of Possibility	R3 000 000
Bulk Sewer Outfall: Jamestown	Dignified Living	R18 097 470
Sewerpipe Replacement	Dignified Living	R1 000 000
Upgrade of WWTW Wemmershoek	Dignified Living	R3 000 000
Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	Dignified Living	R35 491 768

6.3 Financial Implications

The total estimated cost of the borrowing over the repayment period is disclosed in the table below:

DESCRIPTION	10 YEAR TERM
Capital	R120 000 000
Interest	R 62 968 244
Total	R182 968 244

6.4 Legal Implications

In terms of Section 160(2) of the Constitution, a Council may not delegate the function to raise a loan. Section 160(3) stipulates that any decision regarding the raising of a loan must be taken by Council with the supporting vote of the majority of its members.

The procedures to be followed in order to raise a loan, is stipulated in Section 46 of the Municipal Finance Management Act (MFMA). According to Section 46 of the MFMA, the following procedures must be followed:

- s.46(2)(a) A Council resolution must be obtained to approve the debt agreement. The Mayor must then sign such a resolution.
- s.46(3)(a) The Accounting Officer (Municipal Manager) must sign the Debt Agreement.
- s.46(3)(a) An information statement must be made public 21 days prior to the Council meeting. The public, National Treasury and the Provincial Treasury must be invited to submit written comments in respect of the proposed loan.

Comment:

A copy of the information statement is attached as **APPENDIX 3** and was published in the Eikestadnuus. In the information statement the public was invited to submit written comments in respect of the proposed loan. National Treasury and the Provincial Treasury were invited by letter to submit their comments in respect of the proposed loan.

s.46(3)(b): The information statement must be submitted to Council at least 21 days prior to the Council meeting at which Council is to consider taking up the loan.

Comment:

The information statement, as well as other supporting documentation, was distributed to each individual councillor on 20 May 2021. The closing date for comments was 9 June 2021 and all comments received will be distributed and included for Council's consideration.

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

Council approved the external loan funding at Council meeting held on 24 Feb 2021.

6.7 Risk Implications

This report has no risk implications for the Municipality.

APPENDICES

Appendix 1 - Draft Agreement

Appendix 2 - B1 Adjustment Budget Summary

Appendix 3 - Advert

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	<i>Chief Financial Officer</i>
DIRECTORATE	<i>Finance</i>
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.carolus@Stellenbosch.gov.za
REPORT DATE	04-06-2021

APPENDIX 1



(TERM LOAN: R120 000 000)

LOAN AGREEMENT

entered into between

NEDBANK LIMITED

(Registration Number 1951/000009/06)

and

STELLENBOSCH MUNICIPALITY

NEDBANK



1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement unless clearly inconsistent with or otherwise indicated by the context the following expressions shall bear the meanings ascribed to them hereunder and cognate expressions shall bear corresponding meanings -

1.1.1. **"Accounting Officer"** will have the meaning given to it in the MFMA;

1.1.2. **"Advance Date"** means _____;

1.1.3. **"Agreement"** means the agreement set out in this document;

1.1.4. **"Applicable Laws"** means and includes common or customary law and any constitution, decree, judgement, legislation, order, ordinance, statute, treaty or other legislative measure applicable to any the Parties and includes any present or future directive, regulation, guideline, practice, concession, instruction, request or requirement issued by any national, regional or local government or any governmental, administrative, fiscal, judicial or government owned body, department, agency, public or regulatory authority, corporation or commission, court or tribunal or any person having jurisdiction within the Republic of South Africa, whether or not government owned or controlled and howsoever constituted;

1.1.5. **"Amortising Schedule"** means the amortisation schedule contained in schedule 1, indicating the repayment amounts, consisting of Capital and interest, payable in bi-annual instalments in arrears on the respective Interest and Capital Payment Dates, in terms of this Agreement, to be provided on the Interest Rate Quotation Date;

1.1.6. **"Basic Municipal Service"** will have the meaning given to it in the MFMA;

1.1.7. **"Banks Act"** means the Banks Act 94 of 1990;

1.1.8. **"Base Rate"** means Nedbank's internal funding rate from time to time;

Base Rate	6.72% (percent)
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The said Base Rate is indicative and will be fixed on Advance Date.

1.1.9. **"Basis Point"** means 1/100 (one hundredth) of 1 (one) percentage point;

1.1.10. **"Borrower"** means Stellenbosch Municipality;

1.1.11. **"Borrower Account"** means the Borrower's bank account as advised to Nedbank in writing by the Borrower;

1.1.12. **"Breakage Costs"** means the aggregate of all loss, premiums, penalties, fees, costs, charges, expenses and disbursements incurred or suffered by Nedbank or successful claims made against Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing in terms of the Agreement;



- 1.1.13. **"Breakage Gains"** means the aggregate of all gains, premiums, penalties, fees, costs, charges, expenses and disbursements saved by Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing of the Loan;
- 1.1.14. **"Business Day"** means any day other than a Saturday, Sunday or an official public holiday in the Republic of South Africa;
- 1.1.15. **"Capital"** means an amount of R120 000 000 (One Hundred and Twenty Million Rand);
- 1.1.16. **"Capital Budget"** shall have the meaning ascribed to it in the MFMA , as approved in terms of Section 5, 16, 17, 19 and 24;
17. **"Capital Outstanding"** means that portion of the Capital that is at any time outstanding, reduced in accordance with any repayment thereof made in terms of this Agreement;
- 1.1.18. **"Capital Projects"** means the Borrowers capital projects for the2020/21..... financial year, as contemplated in the Capital Budget;
- 1.1.19. **"Capital Project Assets"** means the assets that will be acquired by the Borrower as identified in the Capital Project;
- 1.1.20. **"Capital Repayments"** means the bi-annually repayments of the Capital Outstanding as per the Amortising Schedule;
- 1.1.21. **"Companies Act"** means the Companies Act, 71 of 2008;
- 1.1.22. **"Confidential Information"** shall have the meaning set out in clause 22;
- 1.1.23. **"Default Rate"** means the applicable Interest Rate plus 300 (three hundred) Basis Points per annum expressed as a NACS rate;
24. **"Dispose"** means to sell, transfer, cede, assign, lease, alienate, donate, renounce, surrender, waive, relinquish, exchange or otherwise dispose of;
- 1.1.25. **"Encumbrance"** means any mortgage, pledge, hypothecation, lien, lease, option restriction, right of first refusal, right of pre-emption, right of retention, right of set-off, right of consolidation or merger (excluding any right of set-off, consolidation or merger arising in favour of Nedbank by operation of law) third party right or interest, assignment, title extension, trust arrangement, cession, security interest or any kind or any other encumbrance or any other type of preferential arrangement having the effect of creating a security interest or right of retention;
- 1.1.26. **"Event of Default"** means any of the events described in clause 12;
- 1.1.27. **"Final Repayment Date"** means _____ as stipulated in the Amortising Schedule;
- 1.1.28. **"GRAP"** means Generally Recognised Accounting Practice;
- 1.1.29. **"Indebtedness"** shall be construed as widely as possible so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent and shall include, without limitation –



- 1.1.29.1. monies borrowed or raised;
- 1.1.29.2. the outstanding principal amount of any bond, note, loan stock, debenture or similar instrument;
- 1.1.29.3. any amount raised pursuant to any issue of shares which are expressed to be redeemable; and
- 1.1.29.4. deferred payments for assets or services acquired;
- 1.1.30. **"Integrated Development Plan"** will have the meaning given to it in Chapter 5 of the Local Government: Municipal Systems Act No 32 of 2000;
- 1.1.31. **"Interest Rate"** means an all in percentage fixed rate equal to 10,01% (Ten Comma Zero One percent);
- 1.1.32. **"Interest Rate Quotation Date"** means the day on which Nedbank advises the Borrower of the Interest Rate applicable to the Loan;
- 1.1.33. **"Interest Period"** means –
 - 1.1.33.1. the period commencing on the Advance Date and ending on the first Repayment Date thereafter;
 - 1.1.33.2. each period after the period described in clause 1.1.33.1 commencing on the previous Repayment Date and ending on the next Repayment Date, inclusive of the final Interest Period commencing on the last Repayment Date and ending on the Final Repayment Date;
- 1.1.34. **"JIBAR"** means, on any applicable date and in respect of the relevant period described in this Agreement –
 - 1.1.34.1. the arithmetic mean (rounded, if necessary, to the nearest 3rd (third) decimal place) of the mid-market rates for Rand deposits for the relevant period as they appear on the Reuters display page designated as "SAFEY" (or such other page as may replace such page on such service) at or about 11:00am Johannesburg time on such date; or
 - 1.1.34.2. if no such service is available, "JIBAR" shall mean the arithmetic mean (rounded, if necessary, to the third decimal place and excluding (to the extent applicable) the 2 (two) highest rates and 2 (two) lowest rates) of the mid-market deposit rates, as supplied to Nedbank and confirmed by Nedbank to the Borrower in reasonably sufficient detail, quoted by the JIBAR Reference Banks in the ordinary course of business in the Johannesburg interbank market at or about 11:00am (Johannesburg time) on such date for Rand deposits for the relevant period, provided that if any of the JIBAR Reference Banks shall be unable or otherwise fail to supply such rate by 11:00am (Johannesburg time) on the required date, JIBAR for the relevant period shall be determined, on the basis of the quotation(s) of the remaining JIBAR Reference Bank(s), on the same basis, to the extent possible, as set out above;
- 1.1.35. **"JIBAR Reference Banks"** means the principal Johannesburg offices of the banks that quote deposit rates to the South African Futures Exchange from time to time, it being recorded that as at the Signature Date the JIBAR Reference Banks are Standard Bank of South Africa Limited, First National Bank of Southern Africa Limited, Absa Bank Limited and Investec Bank Limited;
- 1.1.36. **"Loan"** means the term loan in an amount equal to the Capital which is made available by Nedbank to the Borrower in terms of this Agreement;



- 1.1.37. **"Margin"** means 2,08% (Two Comma Zero Eight percent) per annum expressed as an NACS rate;
- 1.1.38. **"Market Disruption Event"** means an event or circumstance specified as such in clause 6.
- 1.1.39. **"Market Disruption Premium"** means the difference between the Nedbank Liquidity Premium on the Interest Rate Quotation Date and the Nedbank Liquidity Premium on the Advance Date;
- 1.1.40. **"Material Adverse Change"** means an event, circumstance or matter or combination of events, circumstances or matters, including but not limited to:
- 1.1.40.1. Serious Financial Problems: The criteria for determining serious financial problems shall be those stipulated in section 138 of the MFMA, singularly or in combination occurs or the criteria for determining serious or persistent material breach of financial commitments occurs as contemplated in section 140 of the MFMA.
- 1.1.40.2. Provincial Intervention: It is necessary for a provincial intervention in terms of section 136 of the MFMA, whether it is a discretionary intervention (section 137) or a mandatory provincial intervention (section 139).
- 1.1.40.3. Financial Recovery Plan: A financial recovery plan, as contemplated in Chapter 13 of the MFMA, is in relation to the Borrower.
- 1.1.40.4. Stay of Legal Proceedings: If the Borrower applies for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.
- which has or, in the reasonable opinion of Nedbank, will have or would be likely to have a material adverse effect on –
- 1.1.40.5. the business, operations, property, assets, condition (financial or otherwise) or prospects of the Borrower; or
- 1.1.40.6. the ability of the Borrower to conduct its business in the normal, regular and ordinary course; or
- 1.1.40.7. the ability of the Borrower to perform its obligations under this Agreement; or
- 1.1.40.8. the legality, validity or enforceability of this Agreement;
- without derogating from the foregoing, **"Material Adverse Change"** will also include any significant change in the MFMA and/or other Applicable Laws;
- 1.1.41. **"Mayor"** will have the meaning given to it in the MFMA;
- 1.1.42. **"MFMA"** means the Local Government Municipal Finance Management Act, No. 56 of 2003;
- 1.1.43. **"NACS"** means nominal, annual, compounded bi-annually in arrears on the first day of the month immediately following the calendar period in which the interest has accrued;
- 1.1.44. **"Nedbank"** means Nedbank Limited, (registration number 1951/000009/06), a company registered and incorporated in accordance with the Companies Act and registered as and conducting the business of a bank in terms of the Banks Act;
- 1.1.45. **"Nedbank Liquidity Premium"** means, at 9h00 on a specified date, the difference between the 1 (one) year NCD rate as quoted on the Reuters NEDMM screen, as a nacq (nominal annual compounded



quarterly) rate and the 1 (one) year swap rate as quoted on the Reuters NDIRS screen, as a nacq (nominal annual compounded quarterly).

- 1.1.46. **"Outstanding Capital"** means the balance of the Capital from time to time as it is reduced in terms of clauses 7 and 8;
- 1.1.47. **"Outstandings"** means at any given time, and from time to time, the aggregate of –
 - 1.1.47.1. the Outstanding Capital;
 - 1.1.47.2. any other amounts due from time to time under this Agreement which have not been paid; and
 - 1.1.47.3. any unpaid interest accrued or capitalised on the amounts described in clauses 1.1.47.1 and 1.1.47.2 in terms of this Agreement;
- 1.1.48. **"Parties"** means Nedbank and the Borrower;
- 1.1.49. **"Permitted Encumbrances"** means any encumbrance which is existing prior to the advance date of the Agreement and which has been disclosed to Nedbank prior to the advance date or provided for in the audited annual financial statements of the Borrower;
- 1.1.50. **"Permitted Indebtedness"** means –
 - 1.1.50.1. indebtedness accruing from capital and operational expenditure, incurred in implementation of approved budgets of the Borrower; and
 - 1.1.50.2. indebtedness which complies in all respects with the provisions of the MFMA and other Applicable Laws;
- 1.1.51. **"Potential Event of Default"** means any event which may become (with the passage of time, the giving of notice, the making of a determination hereunder or any combination thereof) an Event of Default;
- 1.1.52. **"Prepayment Date"** shall have the meaning set out in clause 8.1.2;
- 1.1.53. **"Repayment Dates"** means, with the exception of the Final Repayment Date, the date on which the Borrower has the obligation to make payment of Capital plus interest as specified in the Amortising Schedule, provided that where such dates fall on a date which is not a Business Day, the relevant Repayment Date shall be the immediately preceding Business Day;
- 1.1.54. **"Signature Date"** means the date on which this Agreement is signed by the Party signing last in time;
- 1.1.55. **"Suspensive Conditions"** means the suspensive conditions described in clause 2;
- 1.1.56. **"Taxes"** means any tax, charge, impost, duty, deduction, withholding, fee or levy of any kind whatsoever (or any amount payable on account of or as security for any of the foregoing) levied, imposed, collected, withheld or assessed, or which may after the Signature Date become levied, imposed, collected, withheld or assessed by any central, provincial or local government body or other organ of state on any other person, whether under the Income Tax Act, 58 1962 or any other present or future legislation, including any interest, additions, fines, surcharges or other penalties imposed by the applicable body in respect thereof, and **"Tax"** shall have a corresponding meaning;



- 1.1.57. **"Term"** means the period of 10 (Ten) years commencing on the Advance Date and terminating on the Final Repayment Date or such earlier date on which this Agreement is otherwise terminated in accordance with its terms;
- 1.1.58. **"Unpaid Sum"** means any sum due and payable but unpaid by the Borrower under this Agreement;
- 1.1.59. **"VAT"** means value added tax levied in terms of the Value Added Tax Act 89 of 1991; and
- 1.1.60. **"Warranties"** shall have the meaning set out in clause 10.
- 1.2. any reference to a statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under such statute or statutory provision;
- 1.3. any reference to any other agreement, document or instrument shall be to that agreement, document or instrument as amended, varied, novated or replaced from time to time;
- 1.4. words and expressions defined in any clause shall, notwithstanding that they are not defined in clause 1.1, bear the meanings assigned to such words and expressions in such clause wherever they are used in this Agreement;
- 1.4.1. when any number of days is prescribed, such number shall be calculated inclusively of the first and exclusively of the last day;
- 1.4.2. any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, months or years, as the case may be;
- 1.4.3. where any act is to be performed on a day which is not a Business Day, such act shall be performed on the next Business Day save for Repayment Dates;
- 1.5. words importing the singular shall include the plural and vice versa;
words referring to one gender shall include a reference to the other genders;
- 1.7. any reference to a person shall include a reference to an individual, a firm, a body corporate, a trust, an unincorporated association, government or a partnership and that person's legal representatives and successors;
- 1.8. if any provision in clause 1.1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to that provision as if it were a substantive provision in the body of this Agreement;
- 1.9. clause headings have been inserted for convenience only and shall not be taken into account in its interpretation;
- 1.10. the rule of construction that a contract or any term thereof shall be interpreted against the party responsible for the drafting of or preparation of that contract or term, shall not apply; and
- 1.11. the use of the word "including" followed by a specific example shall not be construed as limiting the meaning of the general wording preceding it.



2. SUSPENSIVE CONDITIONS

- 2.1. The rights and obligations of the Parties under this Agreement (other than those set out in this clause 2, and clauses, 14 and 17 to 23, which shall be of immediate force and effect) are subject to and conditional upon the fulfilment of the following Suspensive Conditions on or before the Advance Date ("**Fulfilment Date**") or such later date as may be determined in terms of clause 2.3 –
- 2.1.1. Nedbank has been provided with a certified copy of a resolution of the Municipal Council, signed by the Mayor approving the Transaction contemplated by this Agreement and authorising the Accounting Officer, on its behalf, to sign this Agreement and all documents and notices to be signed by it under or in connection with this Agreement, such resolution must include confirmation of the approved total debt to revenue ratio;
- 2.1.2. receipt by Nedbank of a specimen of the signature of each person authorised by the resolution referred to in clause 2.1.1;
- 2.1.3. receipt of report from National and Provincial Treasury, supporting the level of debt requested;
- 2.1.4. written confirmation by the Borrower that it has complied with the requirements of the MFMA and all other Applicable Laws in so far as it relates to the Agreement inclusive of copies of:
- 2.1.4.1. an information statement, setting out the particulars of the debt, the amount, the purpose of the debt and that the public, the national treasury and the provincial treasury has been invited to submit written comments to the council, has been made public 21 (twenty one) days prior to the meeting of the council;
- 2.1.4.2. a copy of the information statement has been submitted to the municipal council 21 (twenty one) days prior to the meeting together with particulars of the repayment terms, the anticipated payment schedule and the anticipated total costs.
- 2.1.5. Execution of necessary legal documentation relating to the funding by all parties;
- 2.1.6. the Borrower having complied with all requests for information made by Nedbank in terms of the Financial Intelligence Centre Act, No. 38 of 2001, the Prevention of Organised Crime Act, No 121 of 1988, the Banks Act and any other money laundering legislation applicable at the time such requests are made;
- 2.1.7. written confirmation by the Borrower that no Event of Default or Potential Event of Default or Material Adverse Change has occurred and is continuing.
- 2.2. the Borrower shall use its best endeavours to procure the fulfilment of the Suspensive Conditions.
- 2.3. The Suspensive Conditions are stipulated to be for the benefit of Nedbank, which shall, by written notice to the Borrower to that effect given by not later than the Fulfilment Date, be entitled to waive some or all of the Suspensive Conditions and/or to extend the date by which some or all of the Suspensive Conditions are to be fulfilled.
- 2.4. If any of the Suspensive Conditions are not fulfilled (and fulfilment thereof is not waived in terms of clause 2.3) on or before the Fulfilment Date, this Agreement will terminate and be of no further force or effect and, to the extent that this Agreement may have been partially implemented, the Parties shall be restored as nearly as



may be possible to the positions in which they would have been had this Agreement not been entered into and neither Party shall have any claim against the other Party as a result of the failure of the Suspensive Conditions, save for such claim as may arise out of a breach of this clause 2 or under any clause which remains in force and effect.

3. PURPOSE

The Loan shall be used by the Borrower to finance its Capital Projects for the 2020/21 financial year. Without prejudice to the foregoing obligations of the Borrower, Nedbank shall be entitled but shall not be obliged to ascertain whether or not the Borrower has applied the Loan for the aforesaid purposes.

4. ADVANCE

Nedbank, relying upon each of the representations, undertakings and Warranties included in this Agreement, hereby agrees to lend and advance to the Borrower, which agrees to borrow, an amount equal to the Capital.

- 4.2. On the Advance Date, Nedbank shall advance the Capital to the Borrower by paying to the credit of the Borrower Account an amount equal to R120 000 000 (One Hundred and Twenty Million Rand).
- 4.3. The payment by Nedbank of this amount as aforesaid shall discharge the obligation of Nedbank to make the advance described in clause 4.1.
- 4.4. Against payment by Nedbank of the Capital in terms of clause 4.2 Nedbank shall be deemed to have advanced the entire Loan to the Borrower.
- 4.5. The aggregate of the Capital will be disbursed in full on the Advance Date. No terms pertaining to the separate draw downs of the Capital will be allowed.

5. INTEREST

- 5.1. Interest shall be calculated on the Outstandings at the Interest Rate during each Interest Period in accordance with clause 5.2.
- 5.2. Interest shall accrue daily, on the basis of actual days elapsed and a 365 (three hundred and sixty five) day year, irrespective of whether such year is a leap year or not.
- 5.3. Interest shall be due and payable by the Borrower to Nedbank on each Repayment Date and the Final Repayment Date.
- 5.4. Interest shall be calculated and levied on a NACS basis.

6. MARKET DISRUPTION

- 6.1. a Market Disruption Event is deemed to have occurred if:
 - 6.1.1. because of circumstances affecting the Johannesburg interbank market generally, reasonable and adequate means do not exist for ascertaining JIBAR and less than 2 of the Reference Banks quote JIBAR for the relevant period; or
 - 6.1.2. matching deposits are not available to Nedbank in the Johannesburg interbank market in the ordinary course of business to fund the Loan; or



- 6.1.3. Nedbank advises the Borrower before close of business in Johannesburg on the Advance Date, that the cost to Nedbank of obtaining matching deposits in the Johannesburg interbank market would be in excess of the JIBAR; or
- 6.1.4. if for the period between the Interest Rate Quotation Date and the Advance Date, the Market Disruption Premium is in excess of 25 (twenty five) Basis Points; or
- 6.1.5. at or about noon on the quotation day for the relevant Interest Period the screen rate is not available and none or only one of the reference banks supplies a rate to determine JIBAR for the relevant Interest Period.
- 6.2. If, for any Interest Period, a Market Disruption Event occurs as contemplated in terms of clauses 6.1.1, 6.1.2, 6.1.3 and 6.1.5 in respect of the Loan then the Interest Rate shall be the percentage rate which is the sum
 - 6.2.1. the rate notified to the Borrower by Nedbank as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to Nedbank of funding its participation in that loan from whatever source it may reasonably select;
 - 6.2.2. mandatory costs (cost of funds plus liquid asset cost); and
 - 6.2.3. the Margin.
- 6.3. If a Market Disruption Event occurs in terms of clause 6.1.4 then the Margin will be increased by the Market Disruption Premium.
- 6.4. Notwithstanding anything to the contrary contained in this Agreement, the Market Disruption provisions may only be applied in the event that the Interest Rate Quotation Date is a date other than the Advance Date.

7. CAPITAL REPAYMENTS

- 7.1. The Outstandings in respect of the Loan shall be repaid by the Borrower to Nedbank, in the amounts and on the Repayment Dates set out in the Amortising Schedule. The Repayment Dates will be bi-annually.
- 7.2. Once the whole or any part of the Capital has been repaid in accordance with this clause 7, Nedbank will not be obliged to re-advance any such repaid amount.
- 7.3. Notwithstanding the provisions of clause 7.1, the Borrower shall ensure that all Outstandings in respect of the Loan, have been repaid in full by no later than the Final Repayment Date.
- 7.4. Should any payment of the Outstanding Capital or Interest as set out in the Amortising Schedule not be made on a Repayment Date or Final Repayment Date, the Interest Rate shall be amended to the Default Rate, which shall be calculated and levied in the same manner as the Interest Rate until date of payment of any amounts due which have not been paid ("the arrears"). After the arrears have been settled, the Default Rate will be amended to the Interest Rate.



8. PREPAYMENT OR EARLY SETTLEMENT

8.1. Prepayment

- 8.1.1. Subject to the clauses hereunder, the Borrower shall be entitled to prepay any part of the Outstandings not then due for payment.
- 8.1.2. Should the Borrower wish to prepay any part of the Outstandings it shall, not less than 1 (one) month prior to the date on which it wishes to prepay any part of the Outstandings, furnish Nedbank with written notice to that effect and shall specify the date on which any part of the Outstandings shall be prepaid ("**Prepayment Date**") and the amount of its intended prepayment. Once such written notice of prepayment has been issued by the Borrower, it shall be irrevocable and the amount stipulated in such notice shall be due and payable on the Prepayment Date specified therein.
- 8.1.3. No amount shall be deemed to have been prepaid unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.
- 8.1.4. No prepayment shall be made in terms hereof unless such amount is at least R1 000 000,00 (One Million Rand) or a multiple thereof.
- 8.1.5. The Borrower shall be entitled to prepay any part of the Outstandings subject to the payment of a prepayment penalty of-
- 8.1.5.1. 2% (two percent) of the amount prepaid if the prepayment is made within 12 (twelve) months from the Advance Date; or
- 8.1.5.2. 1% (one percent) of the amount prepaid if the prepayment is made on a date which falls within the period which is more than 12 (twelve) months from the Advance Date but less than the full Term of the Loan.
- 8.1.6. In addition to the prepayment penalty contemplated in clause 8.1.5, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such prepayment, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (ten) Business Days of receipt by Nedbank of any notice in terms of clause 8.1.2, Nedbank shall certify in writing to the Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the prepayment so notified.

8.2. Settlement

- 8.2.1. Subject to the clauses hereunder, the Borrower shall be entitled to settle the whole of the Outstandings not then due for payment.
- 8.2.2. Should the Borrower wish to settle the whole of the Outstandings it shall, not less than 1 (one) month prior to the date on which it wishes to settle the whole of the Outstandings, furnish Nedbank with written notice to that effect and shall specify the date on which the whole of the Outstandings shall be settled ("**Settlement Date**"). Once such written notice of settlement has been issued by the Borrower, it shall be irrevocable and the settlement amount in such notice shall be due and payable on the Settlement Date specified therein.



- 8.2.3. No amount shall be deemed to have been settled unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.
- 8.2.4. No settlement shall be made in terms hereof unless the settlement amount is at least R1 000 000,00 (One Million Rand) or more.
- 8.2.5. The Borrower shall be entitled to settle the Outstandings subject to the payment of a settlement penalty of-
 - 8.2.5.1. 2% (two percent) of the settlement amount if the settlement is made within 12 (twelve) months from the Advance Date; or
 - 8.2.5.2. 1% (one percent) of the settlement amount if the settlement is made on a date which falls within the period which is more than 12 (twelve) months from the Advance Date but less than the Term of the Loan.
- 8.2.6. In addition to the settlement penalty contemplated in clause 8.2.5, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such settlement, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (ten) Business Days of receipt by Nedbank of any notice in terms of clause 8.2.2, Nedbank shall certify in writing to the Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the settlement so notified.

9. PAYMENTS

- 9.1. Any payments to be made by the Borrower in terms of this Agreement shall be made before 12h00 on due date to the credit of the following Nedbank account number _____ or in such other manner as Nedbank may timeously notify the Borrower in writing from time to time.
- 9.2. Any payment made by the Borrower under this Agreement shall be made free of exchange or right of deferment, avoidance or set-off and without deduction for or on account of any Tax unless the Borrower under law, required to make such payment subject to the deduction or withholding of Tax, in which case the amount payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, Nedbank receives and retains (free from any liability in respect of such deduction or withholding) a net amount equal to the amount which it would have received and so retained had no such deduction or withholding been required to be made.
- 9.3. All amounts received in terms of this Agreement shall be appropriated, first to the payment of costs (including Breakage Costs) and any other amounts other than Capital and interest outstanding in terms of this Agreement, then towards the payment of interest (whether interest or default interest) and thereafter in reduction of the Outstanding Capital.
- 9.4. The Borrower's obligation to repay the Outstandings in accordance with this Agreement shall be unconditional (except as otherwise expressly provided herein or prohibited by law) irrespective of any contingency whatsoever including, but not limited to –



- 9.4.1. any right of set-off, counterclaim, recoupment, defence or other right unless and to the extent that the law entitles such right to be exercised;
- 9.4.2. any insolvency, bankruptcy, administration, judicial management, reorganisation, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Nedbank;
- 9.4.3. any invalidity or unenforceability of any part of this Agreement, or lack of due authorisation of any signatory to this Agreement,
- 9.5. Once the whole or any part of the Outstandings has been repaid or prepaid in terms of this Agreement, Nedbank shall not be obliged to re-advance any such repaid or prepaid amount.
- 9.6. While the funds drawn down by the Borrower in terms of this Agreement are to be used solely for the purpose of funding the Borrower's Capital expenditure programme, Nedbank's recourse in terms of this facility is to be to the Borrower and is in no way limited by the success or progress of the Integrated Development Plan.

10. REPRESENTATIONS AND WARRANTIES

- 10.1. The Borrower represents and warrants on a continuous basis from the Signature Date for the duration of the Term to Nedbank that –
 - 10.1.1. **Status**

It is a Municipality, as contemplated in section 155 of the Constitution of the Republic of South Africa Act no. 108 of 1996.

It is compliant with the terms of the Financial Intelligence Centre Act No. 38 of 2001 and to the best of its knowledge, all Applicable Laws.

The obligations assumed by it in terms of this Agreement are legal and valid obligations binding upon it and enforceable against it in accordance with the terms hereof;
 - 10.1.2. **Non-conflict with other Obligations**
 - 10.1.2.1. The entry into and performance by it of and the transactions contemplated by this Agreement to which it is a party do not and to the best of its knowledge, will not -
 - 10.1.2.1.1. conflict with or result in a breach of any of the terms or provisions of, constitute a default under any agreement, deed, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or revenues; and/or
 - 10.1.2.1.2. does not and to the best of its knowledge, will not conflict with any Applicable Laws, including, without limitation, the MFMA.
 - 10.1.3. **Power and Authority**

It has taken all necessary action and has complied with Applicable Laws and relevant applicable procedures to authorise, and has obtained all necessary authorisations in respect of its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement.



10.1.4. Long-term debt

The Borrower undertakes to incur long term debt in accordance with the provisions of the MFMA and such long term debt shall be raised after approval by the Borrower's bid adjudication committee and a resolution by the Borrower's Municipal Council passed at a duly constituted meeting approving the debt agreement.

10.1.5. No Proceedings pending or threatened

No litigation, arbitration or administrative proceedings are presently current or pending against the Borrower or, to the knowledge of the Borrower, threatened against it which, if adversely determined, would result in a Material Adverse Change.

10.1.6. No Misleading Information

10.1.6.1. All of the information supplied by it in connection with this Agreement is true, complete and accurate in all material respects.

10.1.6.2. It has disclosed to Nedbank any and all material information relating to the Borrower as well as such other information within its personal knowledge which, in the reasonable opinion of Nedbank would have affected Nedbank's decision to advance the Loan.

10.1.6.3. Nedbank can rely on any representation made by any person on behalf of the Borrower that has interacted with Nedbank for the purpose of this Agreement and disclosed information, as being true and correct and has furnished such information with the due authorisation.

10.1.7. *Pari Passu* Ranking

Its payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations preferred solely in terms of chapter 4 of the MFMA.

10.1.8. Assets

As at the Signature Date and subsequent to such date, it has not sold or otherwise disposed of its assets which disposal may directly or indirectly impact on the Borrower's ability to operate as a going concern, save as are disclosed in writing to Nedbank prior to the Signature Date, or as may be disposed of in the ordinary course of its operations, the nature of which it shall fully disclose to Nedbank.

10.1.9. Financial Statements

Its financial statements will be prepared in accordance with GRAP and in line with the National Treasury guidelines (as updated from time to time) for the 2018 / 2019 financial year and thereafter.

10.1.10. Compliance with Laws

It has complied in all material respects with all Applicable Laws to the extent that a failure to comply would result in the Borrower not being able to comply with its payment obligations to Nedbank in terms of this Agreement.



10.1.11. **Compliance with MFMA**

Notwithstanding anything to the contrary contained herein, it has complied with the MFMA in respect of the provisions pertaining to the conclusion and enforceability of this Agreement.

10.1.12. **Indebtedness**

All Indebtedness incurred by the Borrower shall constitute Permitted Indebtedness.

10.1.13. **Serious Financial Problems**

As at the Signature Day, none of the factors contained in sections 138 and 140 of the MFMA, indicating serious financial problems and/or persistent material breach of financial commitments, has occurred in relation to the Borrower.

10.1.14. **Provincial Intervention**

As at the Signature Date, no steps have been taken to bring about any provincial intervention whatsoever in relation to the Borrower, whether or not discretionary or mandatory, as contemplated in Chapter 13 of the MFMA.

10.1.15. **Financial Recovery Plan**

As at the Signature Date, no financial recovery plan, as contemplated in Chapter 13 of the MFMA, is being prepared in relation to the Borrower.

10.1.16. **Stay of Legal Proceedings**

As at the Signature Date, the Borrower has not applied for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.

10.1.17. **No Default**

10.1.17.1. No Event of Default or Potential Event of Default has occurred and is continuing or might reasonably be expected to result from any utilisation of the Loan.

10.1.17.2. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might result in a Material Adverse Change.

10.1.18. **Withdrawal of Municipal Bank Accounts**

Any withdrawal from the Borrower's bank accounts for the purpose of payment in terms of this Agreement, complies with section 11 of the MFMA in that the official withdrawing the money is duly authorised and that such withdrawal is for an authorised purpose.

10.1.19. **Approved Expenditure**

The expenditure incurred for the payment in terms of this Agreement has been incurred in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.



The long term debt is consistent with the Borrower's Capital Budget as stipulated in its annual budget.

10.1.20. **Proceeds of the Agreement**

The proceeds of the Agreement is solely to be spent on Capital Projects that have been approved in compliance with section 19 of the MFMA.

10.1.21. **Maintenance of Systems**

The Accounting Officer has taken all reasonable steps to ensure compliance with subsection 63(2)(a), (b) and (c) (the maintaining of information systems, the correct valuation of the Borrower's assets and liabilities and the maintaining of internal control of assets and liabilities) of the MFMA.

10.1.22. **Encumbrance**

No Encumbrance exists in respect of Capital Project Assets except for permitted Encumbrances.

10.2. Each of the Warranties and representations ("**Warranties**") given by the Borrower in terms of clause 10.1 shall –

10.2.1. *prima facie* be deemed to be a Warranty of fact inducing Nedbank to enter this Agreement;

10.2.2. insofar as any of the Warranties is promissory or relates to a future event, be deemed to have been given as at the due date for the fulfilment of the promise or the happening of the event, as the case may be; and

10.2.3. be a separate Warranty and in no way limited or restricted by reference to or influence from the terms of any other Warranty.

11. **UNDERTAKINGS**

In addition to such other undertakings as the Borrower may have made elsewhere in this Agreement, the Borrower hereby irrevocably agrees and undertakes to Nedbank from Signature Date for so long as any amount is due or payable under this Agreement that it shall-

11.1. **Financial Statements**

The Borrower shall supply to Nedbank:

11.1.1. as soon as the same are available (and in any event by the end of October each year) its unaudited annual consolidated financial statements; and

11.1.2. the audited annual consolidated financial statements within 6 (six) months after the end of its financial year; and

11.1.3. such material information as Nedbank may from time to time require in respect of the financial condition of the Borrower within 30 (thirty) calendar days of request being made therefore, or such earlier date as agreed in writing between Nedbank and the Borrower.

11.2. **Covenants**

The Borrower shall maintain the following covenants:



- 11.2.1. Debt to income ratio of < 45% (forty five percent) with debt to income calculated as follows: Total interest-bearing Debt (Short term borrowing + Bank overdraft + Short term lease + Long term borrowing + Long term lease) / (Total operating revenue – Operating Conditional Grant)

11.3. **Compliance with Applicable Laws**

In as far as the Borrower needs to fulfil its obligations in terms of this Agreement, the Borrower undertakes to comply at all times in full with all relevant Applicable Laws, including, without limitation, the MFMA.

4. **Proof of Compliance**

Forthwith upon request by Nedbank, the Borrower shall provide Nedbank with such proof as Nedbank may reasonably require indicating compliance by the Borrower with all Applicable Laws, including, without limitation, the MFMA.

11.5. **Capital Budget**

The Borrower shall at all times comply with the Borrower's approved Capital Budget and/or approved adjustment budget as contemplated in section 28 of the MFMA ("Adjustment Budget") and shall provide Nedbank, forthwith after it has become available, with a copy of the Capital Budget and Adjustment Budget as the case may be.

11.6. **Notification of Default**

Forthwith upon becoming aware thereof the Borrower shall inform Nedbank in writing of any occurrence of which it becomes aware which may result in any Event of Default or Potential Event of Default or any Material Adverse Change and will, from time to time, if so requested by Nedbank, confirm to Nedbank in writing that, save as otherwise stated in such confirmation, no such Event of Default or Potential Event of Default or Material Adverse Change has occurred and/or is continuing.

11.7. **Information : Miscellaneous**

- 11.7.1. The Borrower shall forthwith inform Nedbank if legal proceedings which will or may materially and adversely affect the Borrower's ability to perform its obligations in terms of this Agreement (including, without limitation, arbitration proceedings) are instituted or threatened against it.
- 11.7.2. The Borrower shall forthwith upon becoming aware thereof inform Nedbank in writing of any occurrence of which it becomes aware which will or may adversely affect the Borrower's ability to perform or observe its obligations in terms of this Agreement.

11.8. **Authorisations**



The Borrower shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by the Applicable Laws and regulations of South Africa to enable it lawfully to enter into and perform its obligations under this Agreement and to conduct its business and affairs, including, without limitation any authorisations, approvals and consents required by the MFMA.

11.9. **Disposals**

The Borrower shall not, contrary to the provisions of the MFMA and in any event to the detriment of Nedbank, or in contravention of its obligations, whether express or implied herein, dispose of, whether by one or more transactions or series of transactions any of the Capital Project Assets.

11.10. **Positive Undertakings**

The Borrower undertakes for the duration of the Agreement to do the following:

- 11.10.1. to make provision in its budgets for the payment of its financial obligations in terms of this Agreement, including Capital and interest;
- 11.10.2. to retain revenues, other charges, fees or funds at a level sufficient to meet its financial obligations in terms of the Agreement;
- 11.10.3. to ensure that the Accounting Officer furnishes a copy of a report written to the municipal council (in compliance with section 70 of the MFMA) in respect of impending shortfalls, overspending and overdrafts to Nedbank;
- 11.10.4. to furnish Nedbank by no later than 10 (ten) working days after the end of each month with a copy of a statement in the prescribed format (as prescribed in section 71 in respect of monthly budget statement on the state of the Borrower's budget;
- 11.10.5. to furnish Nedbank with a copy of the midyear budget and performance assessment (in compliance with section 72 of the MFMA);
- 11.10.6. to furnish Nedbank with the information that must be placed on the website as referred to in section 21(A) of the Municipal Systems Act within 5 (five) days after its tabling in the council or on the date on which it must be made public, whichever occurs first as contemplated in section 75 of the MFMA;
- 11.10.7. to furnish Nedbank with an annual report in accordance with Chapter 12 of the MFMA and within 7 (seven) days after the adoption of the oversight report in respect of aforementioned annual report, furnish Nedbank with same;
- 11.10.8. to notify Nedbank, prior to encumbering any of the Capital Project Assets as security for its creditors, that the Borrower intends to do so.



12. EVENTS OF DEFAULT

12.1. Each of the following events or circumstances is an Event of Default –

12.2. **Non-Payment**

The Borrower fails to pay any amount due by it in terms of this Agreement on the due date for payment therefore, unless the failure to pay is solely due to technical or administrative reasons and the relevant amount is duly paid within 3 (three) Business Days of its due date.

12.3. **Misrepresentation**

A representation, warranty, statement made or deemed to be made or repeated, or undertaking given in connection with this Agreement or in any document delivered by or on behalf of the Borrower under or in connection with this Agreement, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made or repeated or given and as a consequence results in a Material Adverse Change.

12.4. **Material Adverse Change**

Any event (or any series of events) or circumstance occurs (or any existing circumstance continued) which will result in a Material Adverse Change provided that such Material Adverse Change will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement.

12.5. **Cessation of Delivery of Minimum Level of Basic Municipal Services**

The Borrower becomes unable or ceases, for any reason whatsoever, to deliver a minimum level of Basic Municipal Services, or any material part thereof, as contemplated in section 73(1)(c) of the Local Government: Municipal Systems Act, No. 32 of 2000, in an ordinary and regular manner provided that such cessation will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement..

12.6. **Repudiation**

The Borrower repudiates this Agreement or does or causes to be done any act or thing evidencing an intention to repudiate this Agreement.

12.7. **Cross Default**

Any material Indebtedness or obligation or any loan, debt or guarantee constituting Indebtedness of the Borrower becomes due and payable prior to its specified maturity by reason of default, or is not paid when due, whether or not Nedbank is concerned therewith or any creditor of the Borrower becomes entitled to declare any Indebtedness due and payable prior to its specified maturity.

12.8. **Judgements**

Any judgement to the value of R500 000 (Five Hundred Thousand Rand) or more, of any court or arbitration awarded against the Borrower, respectively, remains unsatisfied for a period of 10 (ten) Business Days after it has been granted against the Borrower, respectively, and has not been the subject of an application for rescission or review or appealed against within the period allowed for such rescission, review or appeal, which in each instance is diligently pursued and, in the event of such application, review or appeal being unsuccessful, the Borrower, respectively, fail to make immediate payment thereof.



12.9. **Unlawfulness**

It be or become unlawful for the Borrower to perform or comply with any or all of their obligations under this Agreement or any of the obligations of the Borrower not be or cease to be legal, valid, binding and enforceable.

12.10. **Adverse Determination by the Auditor General**

If the Auditor General or its successor after performing its audit on the Borrower raises a going concern issue with regards to the affairs of the Borrower.

12.11. **Other Obligations**

The Borrower does not comply with any provision of this Agreement (including for the avoidance of doubt, any of the undertakings set out in clause 11 of this Agreement).

In the event the Borrower fails to comply with the undertakings set out in clause 11, and fails to provide a written proposal to Nedbank setting out the remedial action to be taken in respect of such non compliance within 10 (ten) Business Days after delivery by Nedbank to the Borrower of a written notice requiring the Borrower to provide such a proposal and in the event that such a proposal is received by Nedbank within the stated period, the Borrower failing to remedy such non compliance within the period stipulated in the Borrower's written proposal or such other period as may be agreed by the Parties.

12.12. **Additional Default Events**

It would be an Event of Default if:

- 12.12.1. the municipal council of the Borrower has not approved the annual budget by the start of the budget year or any revenue raising measures necessary to give effect to the budget;
- 12.12.2. the national treasury stop the transfer of funds to the Borrower as contemplated in section 38(1) of the MFMA (funds due to the Borrower as its share of the local government's share or transfer of funds ' to the Borrower as an allocation referred to in section 214(1)(c) of the Constitution;
- 12.12.3. the Borrower faces any serious financial problems as contemplated in section 54(2) of the MFMA, in terms of which the Mayor must respond to and initiate steps;
- 12.12.4. the Accounting Officer fails to submit financial statements to the auditor general in accordance with section 126(1) or (2) of the MFMA or if the Mayor fails to table the annual report of the Borrower in accordance with section 127(2).
- 12.12.5. during the term, the following covenants are not met (after receipt of a 10 day notification to do so):
 - 12.12.5.1. debt to income of <45%. Debt to income is calculated as follows: $\frac{\text{Total Interest bearing Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease)}}{(\text{Total Operating Revenue} - \text{Operating Conditional Grant})}$.



13. ACCELERATION

On or at any time after the occurrence of an Event of Default, Nedbank shall, in addition to and without prejudice to any rights it may have in terms of this Agreement or in law, including its rights to claim damages, be immediately entitled, without further notice to the Borrower, to –

- 13.1. cancel the Loan; and/or
- 13.2. re-price the Loan; and/or
- 13.3. immediately claim and recover from the Borrower –
 - 13.3.1.1. the Outstandings; and/or
 - 13.3.1.2. Breakage Costs arising on the Event of Default; and/or
 - 13.3.1.3. any other charges, costs or expenses incurred by Nedbank and/or payable in terms of this Agreement, including but not limited to arrear payments and any default interest; and/or
 - 13.3.2. subject to clause 7.4, levy finance charges calculated in accordance with the Default Rate, if the Borrower does not remedy a breach within 20 (twenty) days of written notice to do so;
 - 13.3.3. enforce compliance with the terms and conditions of all or part this Agreement and claim such damages as Nedbank may have suffered as a result of the Event of Default.

14. INDEMNITIES

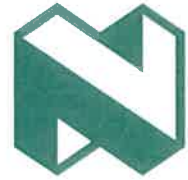
- 14.1. Without prejudice to the other remedies of Nedbank under this Agreement and/or in law, the Borrower hereby irrevocably indemnifies and holds Nedbank harmless against any costs, claim, loss, expense (including legal fees on the scale as between attorney and own client) or liability, together with any VAT thereon, which may be suffered or incurred by Nedbank as a result of the occurrence of any Event of Default or the operation of clause 13.

For the purposes of this clause 14, "loss" shall include (but not be limited to) any amounts of Capital, interest, fees, Break Costs or other sums whatsoever paid or payable on account of any funds borrowed by Nedbank in order to enable Nedbank to advance the Loan to the Borrower.

- 14.3. The rights of Nedbank in respect of the indemnities contained in this clause 14 shall continue in full force and effect in favour of Nedbank for a period terminating on the 3rd (third) anniversary of the last day of the Term.

15. CHANGE IN COSTS

- 15.1. If, at any time during the Term, there occurs –
 - 15.1.1. any adoption, amendment, variation, replacement or change in interpretation of any of the Applicable Laws or of any authorisation with which commercial banks generally in the Republic of South Africa are required to comply or any change in circumstances occurs or any duties are imposed on such commercial banks at any time after the Signature Date; and/or
 - 15.1.2. any directive, requirement, request or guidance (whether or not having the force of law but if not having the force of law, one which applies generally to a class or category of financial institutions and/or financial



service companies directly or indirectly) of any central bank or any other fiscal, monetary, regulatory or other authority in the Republic of South Africa; and/or

- 15.1.3. any change in banking practice, as it affects or is applied generally to or by any financial institution directly or indirectly in the Republic of South Africa; and/or
- 15.1.4. a requirement by any statutory or monetary authority in the Republic of South Africa, to –
 - 15.1.4.1. pay levies or any other amounts whatsoever or to maintain special deposits or reserve assets, in addition to those paid or maintained or reserved by Nedbank as at the Signature Date; or
 - 15.1.4.2. comply with any reserve, cash ratio, special deposit or liquid requirements (or any other similar requirements) in respect of this Agreement in addition to those anticipated by Nedbank at the Signature Date; or
 - 15.1.4.3. to pay any Tax; and/or
- 15.1.5. any compliance by Nedbank with any capital adequacy, reserve, cash ratio, special deposit, liquidity or similar requirements of a statutory or monetary authority, howsoever arising in South Africa in respect of this Agreement, including any increase in the amount of the Capital to be allocated by Nedbank to the amount advanced under this Agreement or a change of weighting of the commitment under this Agreement; or
- 15.1.6. any compliance by Nedbank with "International convergence of capital measure and capital standards, a revised framework" published by the Basel Committee on banking supervision in June 2004 in the form existing hereof (Basel II) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by government, regulator or Nedbank but excluding any increases as would ordinarily be excluded), incurred by it in making, maintaining or funding its obligations under the Agreement arising by reason of a change in law or the interpretation thereof, or compliance with any central bank or similar request occurring after the Interest Rate Quotation Date; or
- 15.1.7. any other event attributable to a statutory or monetary authority which is beyond control of Nedbank, with the result that –
 - 15.1.7.1. Nedbank is subjected to any Tax, duty or other charge in respect of the Loan or a change in the basis of taxation of Nedbank in respect of amounts payable to Nedbank in terms of this Agreement; or
 - 15.1.7.2. any reserve, special deposit or similar requirement is imposed against the assets or deposits with or for the account of, or credit extended by Nedbank; or
 - 15.1.7.3. any other obligation or condition directly affecting the cost of Nedbank is imposed on Nedbank of maintaining or funding its commitment under this Agreement; or
 - 15.1.7.4. the cost to Nedbank of making or maintaining the Loan is increased or any amounts received or receivable by Nedbank under this Agreement are reduced; or
 - 15.1.7.5. Nedbank's rate of return on its capital is reduced by reason only of change in the manner in which it is required to allocate capital resources to its obligations under this Agreement; or



15.1.7.6. Nedbank is required to make a payment or forego the return on any amount received or receivable by it under this Agreement;

15.1.8. And the result of any of the above is to increase the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement or reduces the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement, the Parties shall consult in relation to the manner in which such increased costs or the reduction of the return to Nedbank may be recovered, to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place.

Nedbank will promptly notify the Borrower of such increased costs or reduction, disclose the event giving rise to such increased costs or reduction and certify the calculation of such amount to the Borrower. The Borrower shall have the right to have such amount verified by the auditors of Nedbank. The Parties will meet to discuss means of reducing the impact of any increased costs or aforesaid reduction on the Borrower.

If no agreement is reached within 10 (ten) days after receipt of aforesaid notification by the Borrower in respect of any dispute in terms of this clause 15.1, including the amount of aforesaid increased cost or reduction or the means of reducing their impact, either party may request the Executive President of the South African Institute for Chartered Accountants (SAICA) or his nominee to appoint a member of SAICA to resolve the dispute acting as an expert and not as an arbitrator.

"acting as an expert and not an arbitrator" means, in the context of such appointee making a determination in terms hereof, such person doing so on the following basis:

15.1.8.1. such person shall investigate the matter or dispute in such manner as he in his sole discretion considers appropriate, provided that each party to the dispute shall have the right to make written representations to such person in relation to the matter or dispute;

15.1.8.2. In carrying out his investigations, such person shall be entitled to consult with any or all of the Parties, or with any other person and to take advice from any third party;

15.1.8.3. such person shall issue his ruling, within 20 (twenty) days of his appointment or as soon as may be reasonably possible thereafter.

15.1.8.4. the determination of such person shall be final and binding on the Parties;

15.1.8.5. the costs and charges (including but not limited to the attorney and own client costs) of such person shall be borne by that party which, in the sole discretion of such person, is the appropriate party to bear such costs and charges, provided that such person shall be entitled to direct that the costs and charges be borne by all or certain of the Parties, in such ratios as such person may determine.

15.2. This clause 15 does not apply to any increased cost arising in terms of clause 15.1 –

15.2.1. on account of Tax payable on any income, profits or gains of Nedbank to the extent arising from amendments or changes which affect corporate taxpayers generally; or

15.2.2. resulting from any breach or violation by Nedbank of, or breach by Nedbank of any limits imposed by, any provision of any law, ruling, regulation or practice by any relevant monetary or fiscal authority or



court or competent official, arising as a consequence of any action or omission by Nedbank after the introduction of such provision and/or imposition of such limits or after the relevant change in the interpretation thereof has become known to Nedbank and/or generally known amongst banks operating in the Republic of South Africa.

- 15.3. If Nedbank is entitled to any tax benefit by reason of any circumstance in respect of which the Borrower has paid the fee as contemplated in clause 15.1, Nedbank shall pay to the Borrower such amount, limited to the maximum of the fee paid by the Borrower as aforesaid, as will leave Nedbank with the same net after Tax return as it would have received in respect of maintaining or funding its commitment under this Agreement had the tax benefit not been granted. Payment of such sum shall be made within 10 (ten) Business Days of Nedbank becoming entitled to such tax benefit.
- 15.4. If any of the events or circumstances envisaged in clause 15.1 occur with the result that the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement reduces or the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement increases, then Nedbank shall pay to the Borrower such fee as would be necessary to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place, which fee shall be payable within 10 (ten) Business Days of receipt by Nedbank of a written demand from the Borrower, and accompanied by the requisite documentation to substantiate the Borrower's entitlement to such fee.

16. ILLEGALITY

16.1. Nedbank Illegality

- 16.1.1. If, at any time, it becomes unlawful, or contrary to any request from or requirement of any fiscal, monetary or other similar authority compliance with which is in accordance with the general practice of persons to whom such request or requirement is intended to apply, for Nedbank to make, fund or allow to remain outstanding all or any of the Outstandings then Nedbank shall, as soon as reasonably practicable after becoming aware of the same, deliver to the Borrower a certificate to that effect and Nedbank so requires, the Borrower shall on such date as Nedbank shall have specified repay all such Outstandings. The Borrower shall be liable for any Breakage Costs arising as a consequence of such prepayment, which Breakage Costs the Borrower shall be required to pay to Nedbank within 10 (ten) days of receipt of such certificate.
- 16.1.2. If Nedbank becomes entitled to give notice pursuant to clause 16.1.1, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 16.1.2 shall oblige Nedbank to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.

16.2. Borrower Illegality

- 16.2.1. If at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its obligations hereunder the Borrower shall as soon as reasonably possible notify Nedbank in writing. If the Borrower is unable, within 10 (ten) days of the aforesaid notice of the performance becoming unlawful, to procure that a replacement Borrower is substituted for it on such terms as may be reasonably acceptable to Nedbank, then Nedbank shall, after the expiry of such 10 (ten) day period be entitled to deliver to the Borrower a notice requiring the Borrower to repay all Outstandings on a date



specified in such notice and the Borrower shall on such date as Nedbank shall have specified repay all Outstandings together with any Breakage Costs arising as a result of the early termination.

- 16.2.2. If Nedbank becomes entitled to give notice pursuant to clause 16.2, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 16.2.2 shall oblige it to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.

17. CERTIFICATE OF INDEBTEDNESS AND OTHER NOTICES

- 17.1. A certificate signed or purporting to be signed by a manager or director of Nedbank (whose appointment it shall not be necessary to prove) shall be *prima facie* proof of –
- 1.1. the amount of any debt owing by the Borrower to Nedbank (including, without limitation, accrued interest and default interest) in terms of this Agreement;
 - 17.1.2. the due dates of performance in respect of any obligations of the Borrower in terms of this Agreement;
 - 17.1.3. any Interest Rate; or
 - 17.1.4. the fact that the debts are due and owing and have not been paid or otherwise discharged.
- 17.2. In addition to and in application of the provisions of clause 17.1, any schedule, certificate or other document provided by Nedbank in terms of this Agreement shall, if signed by any manager or director of Nedbank, be deemed to be *prima facie* proof of the correctness of its contents.

18. ASSIGNMENT

- 18.1. This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors-in-title.
- 18.2. The Borrower shall not be entitled to cede, delegate or assign (as the case may be) all or any of its rights, benefits and obligations under this Agreement to any person, without the prior written consent of Nedbank.
- 18.3. Nedbank may, at any time after the Advance Date, sell down all (and not part) of the Outstandings, and assign its corresponding rights and obligations under this Agreement, provided that such transfer will not result in any increased costs to the Borrower in terms of clause 15. Nedbank shall promptly notify the Borrower of any such assignment (including the identity, address and facsimile number for notices and the *domicilium citandi et executandi* of the assignee).

19. RENUNCIATION OF BENEFITS

The Borrower hereby renounces any benefits to which it is entitled in law, including without in any way limiting or affecting the generality of the foregoing the benefits of the legal exceptions "*non numeratae pecuniae*", "*exceptio non causa debiti*", "revision of accounts", "*beneficio ordinis seu excussionis*", splitting of claims and "*de duobus vel pluribus reis debendi*" and declares itself to be fully acquainted with the full meaning and effect of the same.



20. DOMICILIUM CITANDI ET EXECUTANDI

20.1. The Parties choose the addresses set out opposite their names below as their *domicilium citandi et executandi* (whether in respect of notices, court processes or any other documents or communications of whatsoever nature) for all purposes of this Agreement:

20.1.1. Nedbank

Physical Address: 135 Rivonia Road
Block H, 7th Floor
Sandown
Sandton
2196
Cell: : 063 6892974
Attention: National Head: Public Sector

20.1.2. the Borrower:

Physical Address: Plein Street
Stellenbosch
7600
Current Fax no: 021 8867318
Attention: Chief Financial Officer

20.2. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing. It shall be acceptable to give notice by fax provided that proof of such fax transmission is provided to the Party to whom notice is addressed and physical copies of the notice or communication are delivered to the aforesaid address of the Party to whom such notice is addressed within 3 (three) Business Days of such fax transmission.

20.3. Any Party may by written notice to the other Parties change its chosen address to another physical address provided that the change shall become effective on the 7th (seventh) day after delivery of such notice to the addressee.

20.4. Any notice to a Party contained in a correctly addressed envelope and delivered by hand to a responsible person during ordinary business hours at its chosen address shall be deemed to have been received, unless the contrary is proved, on the first Business Day after delivery.

20.5. Notwithstanding anything to the contrary contained in this clause 20, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address.

21. COSTS AND EXPENSES

21.1. Each Party shall be responsible for its own costs of negotiating, drafting and implementing this Agreement.

21.2. The Borrower shall on demand reimburse Nedbank for all reasonable costs and expenses (including legal fees on the attorney and client scale) incurred as a result of its unremedied breach of this Agreement.

22. CONFIDENTIAL INFORMATION



The Parties acknowledge that for the duration of this Agreement information will be required and furnished in terms of this Agreement.

The Parties undertake to utilise such information solely for the purpose of the administration of this Agreement. This undertaking will be effective for the duration of this Agreement and will survive the termination of this Agreement. It will be irrespective for what reason the Agreement is terminated.

23. MISCELLANEOUS

23.1. Partial Invalidity

The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction will not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

23.2. Waivers and Remedies Cumulative

Unless condoned in writing, no failure to exercise, and no delay in exercising on the part of either Party, of any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by either Party shall be effective unless it is in writing and duly executed by the Party granting such waiver.

23.3. Entire Contract

This Agreement contains all the express provisions agreed on by the Parties with regard to the subject matter of the Agreement and the Parties waive the right to rely on any alleged express provision not contained in this Agreement.

23.4. Duration

This Agreement shall endure for the Term.

23.5. No Partnership

Nothing in this Agreement shall be deemed to constitute a partnership, or establish a relationship of principal and agent or any other relationship of a similar nature between any of the Parties or, unless expressly provided, entitle either Party to commit or bind the other Party in any manner.

23.6. No Representations

A Party may not rely on any representation or warranty which allegedly induced it to enter into this Agreement, unless the representation or warranty is recorded in this Agreement.

23.7. Variation, Cancellation and Waiver

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.

23.8. Indulgences

The grant of any indulgence by a Party under this Agreement shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.



23.9. **Severability**

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement without invalidating the remaining provisions of this Agreement or affecting the validity or unenforceability of such provision in any other jurisdiction.

23.10. **Applicable Law**

This Agreement is to be interpreted and implemented in accordance with the law of the Republic of South Africa.

23.11. **Jurisdiction**

Each of the Parties irrevocably agrees that the High Court of the Republic of South Africa shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such court.

23.12. **Counterparts**

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

23.13. **Independent Advice**

The Parties hereby acknowledge and agree that they have been free to secure independent legal and other professional advice (including legal, financial and taxation advice) as to the nature and effect of the provisions of this Agreement and the Security Documents and that they have either taken such independent advice or has dispensed with the necessity of doing so.

Signed at _____ on this the _____ day of _____

As Witnesses:

1. _____ **For: Nedbank Limited**

2. _____

Name: _____

Capacity: _____

Name: _____



Capacity: _____

Signed at _____ on this the _____ day of _____

As Witnesses:

1. _____

For: Stellenbosch Municipality

2. _____

Name: _____

Capacity: _____

Name: _____

Capacity: _____



AMORTISING SCHEDULE

APPENDIX 2

WC024 Stellenbosch - Table B1 Adjustments Budget Summary - February 2021

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	392 239	392 239	—	—	—	—	7 000	7 000	399 239	417 735	444 889
Service charges	1 072 778	1 072 778	—	—	—	—	(63 000)	(63 000)	1 009 778	1 159 693	1 254 248
Investment revenue	37 870	37 870	—	—	—	—	(15 000)	(15 000)	22 870	34 522	29 358
Transfers recognised - operational	178 547	198 259	—	—	—	—	5 603	5 603	203 862	181 180	197 574
Other own revenue	218 297	218 297	—	—	—	—	(10 503)	(10 503)	207 794	231 939	246 440
Total Revenue (excluding capital transfers and contributions)	1 699 731	1 919 443	—	—	—	—	(75 899)	(75 899)	1 843 544	2 025 069	2 172 509
Employee costs	579 439	577 905	—	—	—	—	(48 835)	(48 835)	529 070	623 493	676 723
Remuneration of councillors	21 133	21 133	—	—	—	—	—	—	21 133	22 401	23 745
Depreciation & asset impairment	205 628	205 628	—	—	—	—	(4 849)	(4 849)	200 779	214 881	224 550
Finance charges	39 349	39 349	—	—	—	—	(7 700)	(7 700)	31 649	52 710	65 154
Materials and bulk purchases	523 902	525 007	—	—	—	—	(29 506)	(29 506)	495 501	560 233	598 705
Transfers and grants	10 059	11 073	—	—	—	—	—	—	11 073	10 600	11 200
Other expenditure	507 944	527 061	—	—	—	—	11 339	11 339	538 400	518 098	541 578
Total Expenditure	1 887 463	1 907 155	—	—	—	—	(79 551)	(79 551)	1 827 604	2 002 415	2 141 655
Surplus/(Deficit)	12 267	12 288	—	—	—	—	3 652	3 652	15 939	22 654	30 853
Transfers recognised - capital	113 429	88 514	—	—	—	—	(3 649)	(3 649)	84 866	89 295	100 702
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	125 696	100 802	—	—	—	—	3	3	100 805	111 949	131 555
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	125 696	100 802	—	—	—	—	3	3	100 805	111 949	131 555
Capital expenditure & funds sources											
Capital expenditure	372 050	483 711	—	—	—	—	(29 247)	(29 247)	454 464	436 268	458 119
Transfers recognised - capital	145 341	120 481	—	—	—	—	(35 615)	(35 615)	84 866	102 273	102 402
Public contributions & donations	—	—	—	—	—	—	—	—	—	—	—
Borrowing	102 780	106 070	—	—	—	—	11 930	11 930	120 000	103 800	169 000
Internally generated funds	127 630	255 160	—	—	—	—	(5 562)	(5 562)	249 598	230 195	186 717
Total sources of capital funds	375 750	483 711	—	—	—	—	(29 247)	(29 247)	454 464	436 268	458 119
Financial position											
Total current assets	1 124 779	(1 575 180)	—	—	—	—	2 272 732	2 272 732	697 553	(1 649 502)	(1 819 690)
Total non current assets	6 147 669	6 461 257	—	—	—	—	(230 026)	(230 026)	6 231 232	6 583 937	6 827 175
Total current liabilities	452 872	(864 165)	—	—	—	—	1 249 481	1 249 481	385 316	(1 033 922)	(1 138 492)
Total non current liabilities	849 515	849 515	—	—	—	—	—	—	849 515	951 445	1 113 430
Community wealth/Equity	—	—	—	—	—	—	—	—	—	—	—
Cash flows											
Net cash from (used) operating	1 607 806	(23)	—	—	—	—	—	—	(23)	(24)	(26)
Net cash from (used) investing	(375 773)	(483 734)	—	—	—	—	29 247	29 247	(454 487)	(436 292)	(458 145)
Net cash from (used) financing	—	(8 271)	—	—	—	—	—	—	(8 271)	(14 632)	(19 576)
Cash/cash equivalents at the year end	1 232 032	(857 223)	—	—	—	—	29 247	29 247	(827 976)	(806 993)	(911 544)
Cash backing/surplus reconciliation											
Cash and investments available	408 829	(365 194)	—	—	—	—	694 166	694 166	328 972	(356 045)	(433 795)
Application of cash and Investments	208 371	761 150	—	—	—	—	(283 459)	(283 459)	477 691	2 254 693	3 847 476
Balance - surplus (shortfall)	200 458	(1 125 344)	—	—	—	—	977 825	977 825	(146 719)	(2 610 738)	(4 281 272)
Asset Management											
Asset register summary (WDV)	6 143 793	6 457 381	—	—	—	—	(230 026)	(230 026)	6 227 355	6 580 060	6 823 299
Depreciation & asset impairment	205 628	205 628	—	—	—	—	(4 849)	(4 849)	200 779	214 881	224 550
Renewal of Existing Assets	34 100	34 602	—	—	—	—	(7 841)	(7 841)	26 761	22 650	19 080
Repairs and Maintenance	90 823	80 471	—	—	—	—	3 637	3 637	84 107	95 620	99 937
Free services											
Cost of Free Basic Services provided	38 706	38 706	—	—	—	—	—	—	38 706	42 985	47 816
Revenue cost of free services provided	18 625	18 625	—	—	—	—	—	—	18 625	18 625	18 625
Households below minimum service level											
Water:	1	1	—	—	—	—	—	—	1	1	1
Sanitation/sewerage:	1	1	—	—	—	—	—	—	1	1	1
Energy:	2	2	—	—	—	—	—	—	2	2	2
Refuse:	4	4	—	—	—	—	—	—	4	4	4

APPENDIX 3



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Kennis geskied hiermee ingevolge die bepalinge van Artikel 46(3) (a) van die Plaaslike Regering: Munisipale Bestuurswet, Nr 56 van 2003, saam gelees met Artikel 21(A) van die Plaaslike Regering: Munisipale Stelselwet, Nr. 32 of 2000: Dat die Munisipale Raad van voorneme is om n skuldooreenkoms met Nedbank Bpk, vir tien (10) jaar, op te neem vir R120 000 000 ten opsigte van die finansiering van die volgende 2020/2021 goedgekeurde kapitaal projekte:

PROJEK NAAM	GOP OBJEKTIEF	EKSTERNE LENING BEFONDSING
Bien don 66/11kV substation new	Valley Of Possibility	R1 500 000
Electricity Network: Pniel	Valley Of Possibility	R3 500 000
Energy Efficiency and Demand Side Management	Green And Sustainable Valley	R1 000 000
General System Improvements - Franschhoek	Valley Of Possibility	R2 000 000
General Systems Improvements - Stellenbosch	Valley Of Possibility	R11 290 198
System Control Centre & Upgrade Telemetry	Good Governance And Compliance	R144 169
Infrastructure Improvement - Franschhoek	Valley Of Possibility	R1 500 000
Expansion of the landfill site (New cells)	Green And Sustainable Valley	R1 051 263
Bulk water supply Klipmuts	Valley Of Possibility	R11 751 157
Bulk water supply pipe and Reservoir: Kayamandi	Valley Of Possibility	R4 500 000
New Reservoir Rosendal	Valley Of Possibility	R14 173 975
Reservoirs and Dam Safety	Valley Of Possibility	R1 500 000
Water Conservation & Demand Management	Valley Of Possibility	R3 000 000
Water Telemetry Upgrade	Valley Of Possibility	R500 000
Water Treatment Works: Idasvalley	Valley Of Possibility	R2 000 000
Waterpipe Replacement	Valley Of Possibility	R3 000 000
Bulk Sewer Outfall: Jamestown	Dignified Living	R18 097 470
Sewerpipe Replacement	Dignified Living	R1 000 000
Upgrade of WWTW Wemmershoek	Dignified Living	R3 000 000
Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	Dignified Living	R35 491 768

Die besonderhede van die eksterne lening wat opgeneem gaan word, word in die onderstaande tabel uiteengesit. Skriftelike kommentaar op die beoogde eksterne lening, indien enige, moet nie later as Woensdag, 9 Junie 2021, aan die Kantoor van die Munisipale Bestuurder, Posbus 17, Stellenbosch, 7599, ingedien word. Individue wat nie kan skryf, kan besoek afle by die kantoor van die Hoof finansiële beampte (1ste Vloer, Munisipale Kantoor, Pleinstraat, Stellenbosch) waar hul deur Me Adele Wagenaar geassisteer sal word.

Na die opneem van die ondergenoemde skuldooreenkoms behoort die munisipaliteit se totale lenigskuld R399 046 547 te beloop, wat na raming ongeveer 22% van die totale begrote bedryfsinkomste van die 2020/21 finansiële jaar verteenwoordig.

Terugbetalingstermyn	10 Jaar
Finansiële Instelling	NEDBANK BPK
Tipe Instrument	Langtermyn lening
Bedrag Van Leningskuld	R120 000 000
Sekuriteit Te Voorsien	Geen
Vaste Rentekoers	8.80%
- Krediet Marge	2.08%
Paaielemente	Ses Maandeliks (Rente en Delging)
Aantal Ses-Maandeliks Paaielemente	20 Paaielemente
Beraamde Ses-Maandeliks Paaielemente	R9 148 412
Beraamde Rente Terugbetaling	R62 968 244
Beraamde Delging Terugbetaling	R120 000 000
Beraamde Totale Terugbetaling	R182 968 244

G METTLER
MUNISIPALE BESTUURDER
EIKESTADNUUS: 20 MEI 2021

Notice is hereby given in terms of Section 46(3) (a) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, read together with Section 21(A) of the Local Government Act, No. 32 of 2000: That it is the intention of the Municipal Council to enter into a debt agreement with Nedbank Ltd, for ten (10) years, to raise an external loan of R120 000 000 in order to finance the following 2020/2021 approved capital projects:

PROJECT NAME	IDP OBJECTIVE	EXTERNAL LOAN FUNDING
Bien don 66/11kV substation new	Valley Of Possibility	R1 500 000
Electricity Network: Pniel	Valley Of Possibility	R3 500 000
Energy Efficiency and Demand Side Management	Green And Sustainable Valley	R1 000 000
General System Improvements - Franschhoek	Valley Of Possibility	R2 000 000
General Systems Improvements - Stellenbosch	Valley Of Possibility	R11 290 198
System Control Centre & Upgrade Telemetry	Good Governance And Compliance	R144 169
Infrastructure Improvement - Franschhoek	Valley Of Possibility	R1 500 000
Expansion of the landfill site (New cells)	Green And Sustainable Valley	R1 051 263
Bulk water supply Klipmuts	Valley Of Possibility	R11 751 157
Bulk water supply pipe and Reservoir: Kayamandi	Valley Of Possibility	R4 500 000
New Reservoir Rosendal	Valley Of Possibility	R14 173 975
Reservoirs and Dam Safety	Valley Of Possibility	R1 500 000
Water Conservation & Demand Management	Valley Of Possibility	R3 000 000
Water Telemetry Upgrade	Valley Of Possibility	R500 000
Water Treatment Works: Idasvalley	Valley Of Possibility	R2 000 000
Waterpipe Replacement	Valley Of Possibility	R3 000 000
Bulk Sewer Outfall: Jamestown	Dignified Living	R18 097 470
Sewerpipe Replacement	Dignified Living	R1 000 000
Upgrade of WWTW Wemmershoek	Dignified Living	R3 000 000
Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	Dignified Living	R35 491 768

The particulars of the external loan to be raised are set out in the table below: Comments on the external loan to be raised, if any, must be submitted in writing on or before Wednesday, 9 June 2021, to the Office of the Municipal Manager, PO Box 17, Stellenbosch, 7599. Individuals who cannot write have the option to visit the office of the Chief Financial Officer (1st Floor, Town House Complex, and Stellenbosch) where Ms Adele Wagenaar will assist such an individual.

Subsequent to raising the below mentioned agreements, the municipality will have a total of long term debt amounting to R399 046 547, which will represent an estimated 22% of the total operating revenue budget for the 2020/21 financial year.

Repayment Period	10 YEARS
Financial Institution	NEDBANK LTD
Type Of Instrument	Long Term Loan
Amount Of Proposed Debt	R120 000 000
Securities To Be Provided	None
Fixed Interest Rate	8.80%
- Credit Margin	2.08%
Installments	Six Monthly (Interest And Redemption)
Number Six Monthly Installment	20 Payments
Estimated Six Monthly Installments	R9 148 412
Estimated Interest Repayments	R62 968 244
Estimated Redemptions Repayments	R120 000 000
Estimated Total Repayments	R182 968 244

G METTLER
MUNICIPAL MANAGER
EIKESTADNEWS: 20 MAY 2021

Nasi isaziso ngokugunyazisa ngumthetho hlelo 46(3) (a) kaMasipala: Umthetho wolawulo lwemali zikaMasipala-wama 56 ka2003, ufundwa kunye nohlelo21(A) somthetho wolawulo lomasipala wama32 luka 2000. Ukuba kuzinjongo zebhunga likaMasipala ungena kwisivumelwano sobolekwa imali yibanki uNedbank Ltd iminyaka elinganiselwa kwishumi, ngenjongo zokukhulisa imalimboleko yamaR120 000 000 ukwenzela sikwazi uhlawulela lamaphulo emisebenzi egunyazisiweyo kunyakamali ka2020/2021:

PROJECT NAME	IDP OBJECTIVE	EXTERNAL LOAN FUNDING
Bien don 66/11kV substation new	Valley Of Possibility	R1 500 000
Electricity Network: Pniel	Valley Of Possibility	R3 500 000
Energy Efficiency and Demand Side Management	Green And Sustainable Valley	R1 000 000
General System Improvements - Franschhoek	Valley Of Possibility	R2 000 000
General Systems Improvements - Stellenbosch	Valley Of Possibility	R11 290 198
System Control Centre & Upgrade Telemetry	Good Governance And Compliance	R144 169
Infrastructure Improvement - Franschhoek	Valley Of Possibility	R1 500 000
Expansion of the landfill site (New cells)	Green And Sustainable Valley	R1 051 263
Bulk water supply Klipmuts	Valley Of Possibility	R11 751 157
Bulk water supply pipe and Reservoir: Kayamandi	Valley Of Possibility	R4 500 000
New Reservoir Rosendal	Valley Of Possibility	R14-173 975
Reservoirs and Dam Safety	Valley Of Possibility	R1 500 000
Water Conservation & Demand Management	Valley Of Possibility	R3 000 000
Water Telemetry Upgrade	Valley Of Possibility	R500 000
Water Treatment Works: Idasvalley	Valley Of Possibility	R2 000 000
Waterpipe Replacement	Valley Of Possibility	R3 000 000
Bulk Sewer Outfall: Jamestown	Dignified Living	R18 097 470
Sewerpipe Replacement	Dignified Living	R1 000 000
Upgrade of WWTW Wemmershoek	Dignified Living	R3 000 000
Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	Dignified Living	R35 491 768

Linkcukacha zalemalimboleko yenyuswayo zidandalaziswe apha ngezantsi. Izimvo ngalemali mboleko, ukuba zikhona, zingafakwa ngembalelwano ngaphambikoLwesine umhla we9 kweyeSilimela 2021, kwigumbi lokusebenzela lomphathi Masipala, P.O. Box 17, Stellenbosch, 7599. Ubani ongakwaziyo ukubhala unako ke ukuba angandwendwela uCFO kwigumbi lakhe (Umgangatho wokuqala, Town House Complex, and Stellenbosch) apho uSisi uAdele Wagenaar ezokumcedisa khona lowo.

Ngokungqameneyo nesisivumelwano kuthethwangaso, lonto iyakuthetha ukuthi uMasipala ityala lakhe liphele kuleBhanki loba yiR399 046 547, ethi ngokoqikelelo ibeyi 22% yesicwangciso sengeniso kanyakamali ka2020/2021.

Iminyaka Yent Lawulo	10 Iminyaka
Isebe Lemali	NEDBANK BPK
Isicwangciso Semithetho Yemali Mboleko	Imboleko Mali Yexesha Elide
Isixa Semali Mboleko	R120 000 000
Ukhuseleko Lwemboleko Mali	Alukho
Umgangatho Wenzala	8.80%
- Umda wekhredithi	2.08%
Izavenge	Kabini enyakeni (Inkunzi nenzala)
Inani Lwezavenge Ezintandathu	20 Izavenge
Uqikelelo Lwezavenge Ezint Andathu	R9 148 412
Uqikelelo Lwezala	R62 968 244
Uqikelelo Lwembuyekezo	R120 000 000
Uqikelelo Lwentlawulo Ngokupheleleyo	R182 968 244

G METTLER
UMPHATHI MASIPALA
EIKESTADNEWS: 20 MAY 2021

7.4	HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)
7.4.1	SECTION 116(3) AMENDMENT TO THE EXISTING APPOINTMENT OF SUSTAINABLE PLANNING SOLUTIONS FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP ESTABLISHMENT PROCESS FOR MAASDORP FOREST VILLAGE, FRANSCHHOEK: PORTIONS 27 AND 28 OF FARM LA MOTTE NO 1041, AND FUTURE EXPANSION ON PORTIONS 3 AND 7 OF FARM LA MOTTE NO 1041, FRANSCHHOEK

Collaborator No: 708209
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 June 2021

- 1. SUBJECT: SECTION 116(3) AMENDMENT TO THE EXISTING APPOINTMENT OF SUSTAINABLE PLANNING SOLUTIONS FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP ESTABLISHMENT PROCESS FOR MAASDORP FOREST VILLAGE, FRANSCHHOEK: PORTIONS 27 AND 28 OF FARM LA MOTTE NO 1041, AND FUTURE EXPANSION ON PORTIONS 3 AND 7 OF FARM LA MOTTE NO 1041, FRANSCHHOEK**

- 2. PURPOSE**

To table reasons and obtain Council's approval / necessary authorisation for the intended extension of an appointment concluded with the service provider, Silver Creek Trading CC trading as Sustainable Planning Solutions.

- 3. DELEGATED AUTHORITY**

Council

- 4. EXECUTIVE SUMMARY**

In 2015, by virtue of a bidding process, i.e. tender B/SM 16/16, Stellenbosch Municipality invited professionals in the built environment to submit tender rates in favour of being enlisted on their panel of professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources, Project Management, Architectural Services and Related Professions: Validity Period: 3 (Three) Financial Years: 2015/16, 2016/17 and 2017/18.

Silver Creek Trading CC trading as Sustainable Planning Solutions was one such service provider that was successful in the Town and Regional Planning category. In June 2018, Sustainable Planning Solutions was notified of being successful for the appointment in a project identified under the bid, namely, the township establishment process for Maasdorp Forest Village, Franschhoek: Portions 27 and 28 of Farm La Motte No 1041, and future expansion on Portions 3 and 7 of Farm La Motte No 1041, Franschhoek; the project has later been referred to only as the detailed planning and design for the township establishment of Maasdorp Forest Village.

The required process for township establishment took longer than anticipated primarily due to the impact of Covid-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input. Due to the socio-economic impact of Covid-19 and the relevancy of the socio-economic profile on the feasibility of proposed property extents and accommodation of original Maasdorp residents on these properties, the necessity to update the socio-economic survey and engineering services costing for efficient decision-making purposes on the development proposal, was identified.

In order to address the need identified to update the socio-economic survey and engineering services costing, which is an addition to the original scope of work and required to finalise the scope of work as originally appointed for (i.e. township establishment and the required land use application), it is imperative that the current appointment be extended beyond the appointed term to enable the finalisation of the township establishment process.

Sustainable Planning Solutions has an existing appointment with the Stellenbosch Municipality until the end of June 2021, which the Department: Housing Development requests that their appointment be extended beyond June 2021 to enable the finalisation of the original scope of work beyond the original appointment term.

It is not practical or cost effective for Stellenbosch Municipality to appoint a new service provider at this stage where the remaining original scope of work i.e. the submission of the land use applications, is pending.

5. RECOMMENDATIONS

- (a) that Council notes, in terms of the Municipal Finance Management Act (MFMA) Section 116(3), the reasons for the required extension and amendment of the current appointment to enable the finalisation of the original scope of work beyond the current appointment term, which is valid only until the end of June 2021;
- (b) that Council takes note that reasonable notice of intention to extend the appointment in terms of Section 116(3)(b)(i) was given to the public;
- (c) that Council takes note that the local community was invited to submit representations to the Municipality in terms of Section 116(3)(b)(ii);
- (d) that Council approves the extension of the appointment for an additional period of eighteen (18) months from the date of confirmation of extended appointment; and
- (e) that the Municipal Manager be authorised to conclude the extension of the appointment in terms of the applicable legislation.

6. DISCUSSION / CONTENTS

6.1 Background

In 2015, by virtue of a bidding process, i.e. tender B/SM 16/16, Stellenbosch Municipality invited professionals in the built environment to submit tender rates in favour of being enlisted on their panel of professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources, Project Management, Architectural Services and Related Professions: Validity Period: 3 (Three) Financial Years: 2015/16, 2016/17 and 2017/18.

Silver Creek Trading CC trading as Sustainable Planning Solutions was one such service provider that was successful in the Town and Regional Planning category. In June 2018, Sustainable Planning Solutions was notified of being successful for the appointment in a project identified under the bid, namely, the township establishment process for Maasdorp Forest Village, Franschhoek: Portions 27 and 28 of Farm La Motte No 1041, and future expansion on Portions 3 and 7 of Farm La Motte No 1041, Franschhoek; the project has later been referred to only as the detailed planning and design for the township establishment of Maasdorp Forest Village.

An appointment letter dated 15 February 2019 with order no 351679 dated 6 November 2018 for the amount of R474 950.00 was provided to confirm the appointment of Silver Creek Trading CC t/a Sustainable Planning Solutions for the detailed planning and design for the township establishment of Maasdorp Forest Village.

The residents of Maasdorp are either employees of the Department of Forestry, or the descendants of employees of this Department, who were afforded homes / tenancy on a large tract of land, constituting of Portions 27 and 28 of Farm La Motte No 1041 Paarl, Franschhoek. It is the intention of this project to assist the Department of Forestry (who in turn has given Stellenbosch Municipality the authority) with the subdivision of the subject properties constituting Maasdorp Forest Village into smaller residential properties for the purpose of township establishment. The intention is also to transfer these proposed properties (and homes) to the residents of Maasdorp and as may further be determined. It was originally intended that this project is meant to benefit only the residents currently living in Maasdorp Forest Village who have either been employed by, or whose parents were employed by the Department of Forestry. The beneficiaries to be accommodated by this development depend on the outcome of envisioned community engagements and the updated socio-economic study to still be undertaken.

The lengthy process of the project is due to multiple challenges throughout the project. Firstly, there were delays at the commencement of the project due to the initial socio-economic survey which was not done by the service provider and which was required as a crucial element to effectively continue with the process from the service provider's stance. The initial socio-economic survey took long due to the fact that the residents were either not timeously sensitized to the dates of the survey or blatantly refused engagement, or, residents were not home when the survey was being completed. There was thus a time delay in getting all the relevant information from all of the residents.

On the service provider's eventual receipt of the socio-economic survey to inform the further township establishment process, the required process again took longer than anticipated, primarily due to the impact of Covid-19. The lockdown resulted in delayed opportunities to engage with the community of Maasdorp, which is an integral part of this development that needs to be thoroughly considered and conveyed. The lockdown, with specific reference to relevant parties and municipal officials working from home, had a delaying impact on administrative processes and coordination of physical actions required to then finalise proposed subdivision plans.

Covid-19 had a severe impact on the livelihoods and socio-economic status of many individuals. It was subsequently also discussed and decided that additional studies and inputs are required as part of the planning process and in support of the land use application to be submitted. Viewed in isolation, the anticipated timeframe to conclude such a relatively small project should not exceed a three year period; however, the process took longer than expected due to projects of higher priority taking up limited time and capacity resources.

Sustainable Planning Solutions has an existing appointment with the Stellenbosch Municipality for three years (until the end of June 2021) for the detailed planning and design for the township establishment of Maasdorp Forest Village, which the Department: Housing Development requests that their appointment be extended beyond June 2021, to enable the finalisation of the original scope of work beyond the original Appointment term.

It is not practical or cost effective for Stellenbosch Municipality to appoint a new service provider at this stage where the remaining original scope of work cannot be completed within the current appointment term pending submission of the land use applications as continuation of the original appointment.

The proposed extension to the existing appointment of the service provider has been advertised in Die Burger and on the Municipal website on 7 May 2021 (see attached **ANNEXURE 1**) providing the public the opportunity to submit representations and/or comments within 14 days of advertisement at 12h00. No representations or comments have been received.

6.2 Discussion

As mentioned above, Sustainable Planning Solutions has been appointed to attend to the township establishment of Maasdorp Forest Village and the project is still underway. The initial amount awarded to the project was R474 950.00 (see attached **ANNEXURE 2** for original order).

The Department: Housing Development requests that Sustainable Planning Solutions' Appointment be extended beyond June 2021, to enable the finalisation of the original scope of work beyond the original appointment term.

The original value of the appointment is R474 950.00 (inclusive of VAT). The additional socio-economic survey and engineering services costing will result in an additional cost of R44 792.50 (inclusive of VAT). This will bring the total value of the appointment to R519 742.50 (inclusive of VAT), 9.43% more as the original appointment amount. **This variation will be dealt with separately and subject to the approval of the extension of the appointment term.**

It is in the best interest of the Municipality to proceed with the current service provider to complete the project as per the original scope of work.

The actions which have been finalised since appointment are as follows:

- Management of the professional team in terms of the processes and budget.
- Planning investigation.
- Preparation of subdivision proposals.
- Community engagements.
- Preparation of Engineering Services Report.
- Preparation of Draft Traffic Impact Statement.
- Submission of an applicability checklist and confirmation of additional requirements in terms of the National Environmental Management Act.
- Submission of Notification of Intent to Develop in terms of the National Heritage Resources Act.

The actions required to finalise the project are as follows:

- An updated socio-economic study due to the implications of Covid-19 and to determine the family dynamics on each proposed portion.
- Community engagement to gain participation from the affected parties which will provide input and guidance to the preferred proposed subdivision layout.
- The proposed subdivision layout will then be finalised.
- The final proposed subdivision layout may require review in terms of the specialist reports.
- After such reviews, if required, the land use applications will be finalised and submitted to the Stellenbosch Municipality (and other governmental bodies as the case may be) for further processing.
- Following the submission of the land use applications, the process is to be further managed and driven. Additional actions may be required during the processing of the application, such as additional information required by the Land Use Planning Department, amendment of proposed plans, attending to the notification process, response to comments and objections and presentation at the Municipal Planning Tribunal.

The estimated time frame for the above actions still required is five (5) months from the date of confirmation of extended appointment to the submission of the land use applications. The further management of the process up to completion depends on the Municipality's Land Use Planning Department's processing of the application, which can be anticipated to take up to thirteen (13) months. The total estimated time frame for the completion of the project up to obtaining the required land use rights is eighteen (18) months from the date of confirmation of extended appointment.

The below table is a broad proposed timeline, provided by the service provider, from the date of the extended appointment until final land use approval and hand over to the Land Surveyor.

	TASK	TIME
1.	Update the socio-economic survey: <ul style="list-style-type: none"> • amend the survey • do site survey (3-4 days) • collate all the data • assess the outcome of the data collated • prepare report to Client inclusive of a recommendation • Meet with Client to present the findings and recommendation • Agree on a preferred manner to subdivide Maasdorp Forest Village (to ensure that the design is affordable to the community) 	2 months
2.	Report back to community via a meeting with the Maasdorp Steering Committee: <ul style="list-style-type: none"> • Present findings of the survey • Present recommendation • Obtain comment/feedback from the Committee in respect of the recommended way to subdivide Maasdorp Forest Village. • Agree on the preferred way 	14 days
3.	Based on the agreed/preferred manner of subdividing Maasdorp Forest Village the following plans, reports and studies should be updated: <ul style="list-style-type: none"> • Subdivision plan • Traffic Impact Study • EIA checklist report (TBC if needed) • Heritage Report (TBC if needed) • Engineering services report 	1.5 months
4.	Present the updated reports to the Client	5 days
5.	Provided that there are no serious implications to the studies/reports completed in point 4 above, the town planner shall prepare the LUMS application report	14 days
6.	Submit the LUMS application report for consideration	1 day
7.	Await letter from the Municipality's Planning Department requesting additional information (10 days letter)	14 days
8.	Submission of additional information (if any)	20 days
9.	Advertising	30 days
10.	Address comments/objections received during public participation process	35 days
11.	Assist the town planner (from SM) with any additional requirements in support of finalising their report to MPT for final consideration.	60 days
12.	MPT consideration	30 days
13.	Observe appeal period (if applicable)	30 days
14.	Notify Client of MPT decision	1 day
15.	Provide land surveyor with the necessary approvals and dwg information to proceed with the General Plan for submission to the SG office.	3 days

A total of R266 867.85 (inclusive of VAT) has already been spent on the project, the remaining budget as per the original Appointment being R474 950.00 (inclusive of VAT), with the remaining balance being R208 082.15 (inclusive of VAT) with an additional cost of R44 792.50 (inclusive of VAT) being required, which is subject to approval and which will be dealt with as a separate process.

Please note, the survey and submission of the General Plan to the Surveyor-General for approval, the opening of a township register, and registration in the Deeds Office do not form part of the current appointment term and amount.

In compliance with Section 116(3)(a) of the MFMA, herewith the reasons for the proposed extension / amendment of the appointment:

- a) Sustainable Planning Solutions has established a good relationship with the residents of the Maasdorp Forest Village and has a thorough understanding of the background of this Village, which is a valuable contribute crucial to the sentiments and sensitivity of this project which have to be further dealt with utmost care and trust and cannot be disrupted with the appointment of an alternative service provider.
- b) The appointment of an alternative service provider will result in non-financial costs impacting on the project and which will definitely result in community dis-satisfaction and time delays, especially with project hand overs.
- c) The appointment of an alternative service provider will result in further delays due to the retake of the entire procurement process, appointment, initiation meetings, introductions to community members, project hand overs, and so more.
- d) A considerate amount of work has been completed, now only requiring the finalisation of the subdivision layout as result from the updated socio-economic study and engineering services costing, with the subsequent finalisation and submission of the land use applications.
- e) In our opinion, it is not practical or cost effective for Stellenbosch Municipality to appoint a new service provider for what is merely a continuation of the original appointment.

6.3 Financial Implications

There are no financial implications for extending the appointment concluded with Sustainable Planning Solutions.

6.4 Legal Implications

6.4.1.SCM Guide for Accounting Officer

In terms of paragraph 5.9.5.2, of the Supply Chain Management Guide for Accounting Officers a single source selection may be appropriate, but only if it present a clear advantage over competition; e.g. for tasks that represent a natural continuation of previous work carried out by the service provider.

Further in terms of paragraph 5.9.5.3 the reason for a single source selection should be recorded and approved by the Accounting Officer or his/her delegate prior to the conclusion of a contract. See **ANNEXURE 3** for abstract from Guidelines.

6.4.2.Municipal Finance Management Act (MFMA)

In terms of Section 116(3) of the Municipal Finance Management Act, *“a contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after:*

- a) *the reasons for the proposed amendment have been tabled in the council of the municipality; and*

- b) *the local community -*
- i) *has been given reasonable notice of the intention to amend the contract or agreement; and*
 - ii) *has been invited to submit representations to the municipality or municipal entity."*

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management

This said item served before a Special BAC on 30 April 2021 and all directors support the recommendations.

ANNEXURES

Annexure 1: Advertisement

Annexure 2: Original order

Annexure 3: Abstract of guidelines

FOR FURTHER DETAILS CONTACT:

NAME	<i>Lester van Stavel</i>
POSITION	<i>Manager: Housing Development</i>
DIRECTORATE	<i>Planning and Economic Development</i>
CONTACT NUMBERS	<i>021 808 8462</i>
E-MAIL ADDRESS	<i>Lester.vanstavel@stellenbosch.gov.za</i>
REPORT DATE	<i>24 May 2021</i>

ANNEXURE 1



NOTICE 36/2021

NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE AMENDMENT TO THE EXISTING APPOINTMENT OF SUSTAINABLE PLANNING SOLUTIONS FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP ESTABLISHMENT PROCESS FOR MAASDORP FOREST VILLAGE, FRANSCHHOEK: PORTIONS 27 AND 28 OF FARM LA MOTTE NO 1041, AND FUTURE EXPANSION ON PORTIONS 3 AND 7 OF FARM LA MOTTE NO 1041, FRANSCHHOEK

Notice is hereby given in terms of Section 116 (3) (a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Stellenbosch Municipality to extend the existing contract:

Number: B/SM 16/16

Description: EXTENSION TO THE EXISTING APPOINTMENT OF SUSTAINABLE PLANNING SOLUTIONS FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP ESTABLISHMENT PROCESS FOR MAASDORP FOREST VILLAGE, FRANSCHHOEK

Consultant : Silver Creek Trading CC trading as Sustainable Planning Solutions

Reasons for the proposed amendment: Covid-19 resulted in delayed processes due to the inability to conduct community engagements and administrative and liaison processes that took longer. The effective result is that the appointed scope cannot be finalised within the appointment term which ends on 30 June 2021. The extension of the appointment terms is required to enable the finalisation of the subdivision layout and subsequent land use application process which forms part of the original scope of work. The current appointed service provider has established a valuable relationship with the affected parties which is an integral part of this specific process. It is in the best interest for the Municipality to proceed with the current service provider to complete the scope of work. It is not practical or cost effective for Stellenbosch Municipality to appoint a new service provider for what is merely a continuation of the ongoing township establishment process.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and interested / affected parties are invited to submit comments or representations to the Municipality in respect of the above, such comments or representations must be received within 14 days of advertisement via electronic mail to the e-mail address provided below, or be delivered to the undersigned to the mailing address provided hereunder. Persons who are physically disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Supply Chain Department, Plein Street, Stellenbosch, where a staff member will assist that person to transcribe that person's comments or representations.

Comments and/or representations must be submitted to the following e-mail addresses: ihs.admin@stellenbosch.gov.za and s116.contracts@stellenbosch.gov.za, with the subject line entitled **"B/SM 16/16: COMMENTS ON NOTICE OF AMENDMENT TO THE EXISTING APPOINTMENT OF SUSTAINABLE PLANNING SOLUTIONS FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP ESTABLISHMENT PROCESS FOR MAASDORP FOREST VILLAGE, FRANSCHHOEK"**

The closing time for the submission of representations and/or comments must be received within 14 days of advertisement at **12h00**. No comments or representations received after this time and date will be considered.

All enquiries regarding this intent can be directed to the following official:

Name and Surname : Naudica Swanepoel
 E-mail address : ihs.admin@stellenbosch.gov.za
 Physical address : Stellenbosch Municipality
 Department: Housing Development
 Oude Bloemhof Building
 3rd Floor
 Plein Street
 Stellenbosch
 7600

Geraldine Mettler
Municipal Manager

ANNEXURE 2



Stellenbosch

**AMPTELIKE BESTELLING
OFFICIAL ORDER**

Stellenbosch

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

✉ 17, STELLENBOSCH 7599
☎ 021 808-8520
☎ 021 808-8688

BESTEL NR. / ORDER NO.

351679

DATUM / DATE

08/11/2018

SILVER CREEK TRADING CC t/a SU
39 KLEIN BRON AVENUE
KLEIN BRON ESTATE
BRACKENFELL
7560

KREDITEUR NR.
CREDITORS NO. **014045**

KONTAK PERSOON / CONTACT PERSON

KAMOHLO MCULU

Requisition No.

1055697

REKWISISIE REQUISITION	LYN LINE	VOORRAAD NR. STOCK NO.	BESKRYWING / DESCRIPTION	POS NR. / VOTE NO.	HOVEELHEID QUANTITY	PRYSE SONDER BTW PRICES WITHOUT VAT	BTW/VAT	TOTAAL PRYS TOTAL PRICE
			DETAILED PLANNING AND DE SIGN FOR THE TOWN ESTABLISHMENT OF M			413000.00	61950.00	474950.00

NAMENS / FOR:

STADSRAAD
TOWN COUNCIL**STELLENBOSCH**HANDTEKENING
SIGNATUREDEPARTEMENT
DEPARTMENTTOTAAL
TOTAL**474950.00**

ANNEXURE 3

rejected. The consultant who has submitted the highest ranked technical proposal should be selected and invited to negotiate a contract.

5.9.3 Least-cost selection

5.9.3.1 This method is more appropriate to selection of consultants for assignments of a standard or routine nature (audits, noncomplex projects, and so forth) where well-established practices and standards exist and in which the contract amount is small. Under this method, a "minimum" qualifying mark for the "functionality" is established. Proposals to be submitted in two envelopes are invited. Technical envelopes are opened first and evaluated. Those securing less than the minimum mark should be rejected and the financial envelopes of the rest are opened in public. The firm with the highest points should then be selected. Under this method, the qualifying minimum mark should be established, keeping in view that all proposals above the minimum compete only on "cost" and promotion of HDIs and RDP objectives. The minimum mark to qualify should be stated in the RFP.

5.9.4 Selection based on consultants' qualifications

5.9.4.1 This method may be used for very small assignments for which the need for preparing and evaluating competitive proposals is not justified. In such cases, the accounting officer should prepare the TOR, request expressions of interest and information on the consultants' experience and competence relevant to the assignment and select the firm with the most appropriate qualifications and references. The selected firm should be requested to submit a combined technical-financial proposal and then be invited to negotiate the contract.

5.9.5 Single-source selection

5.9.5.1 Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost and lacks transparency in selection and could encourage unacceptable practices. Therefore, single-source selection should be used only in exceptional cases. The justification for single-source selection should be examined in the context of the overall interests of the client and the project.

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7.4.2	SECTION 116(3) AMENDMENT TO THE EXISTING APPOINTMENT OF JUBELIE PROJECT MANAGEMENT (PTY) LTD FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP APPROVALS AND IMPLEMENTATION FOR THE ZONE O AND KAYAMANDI TOWN CENTRE HOUSING PROJECT, STELLENBOSCH
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Collaborator No: 708223
 IDP KPA Ref No: Good Governance
 Meeting Date: 15 June 2021

- 1. SUBJECT: SECTION 116(3) AMENDMENT TO THE EXISTING APPOINTMENT OF JUBELIE PROJECT MANAGEMENT (PTY) LTD FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP APPROVALS AND IMPLEMENTATION FOR THE ZONE O AND KAYAMANDI TOWN CENTRE HOUSING PROJECT, STELLENBOSCH**

- 2. PURPOSE**

To obtain Council's approval / necessary authorisation for the intended extension of an appointment concluded with the service provider with Jubelie Project Management (Pty) Ltd.

- 3. DELEGATED AUTHORITY**

Council

- 4. EXECUTIVE SUMMARY**

As part of the planning for the Northern Extension, Jubelie Project Management (Pty) Ltd was instructed to do a feasibility study of Kayamandi with emphasis on Zone O and the Town Centre. They were duly appointed, subsequent to the initial investigation to formally undertake a feasibility study for the Town Centre, Zone O and to use any information on Kayamandi (including Enkanini) in order to provide a holistic development picture of Kayamandi. The latter resulted in a framework for possible future development opportunities in Kayamandi and environs.

The required process for township establishment took longer than anticipated primarily due to the impact of Covid-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input.

Jubelie Project Management (Pty) Ltd has an existing appointment with the Stellenbosch Municipality until the end of June 2021, which the Department: Housing Development requests that their appointment be extended beyond June 2021 to enable the finalisation of the original scope of work beyond the original appointment term.

It is therefore not practical or cost effective for Stellenbosch Municipality to appoint new service providers for what is merely a continuation of a second phase of their first appointment which related into the Zone O and the Town Centre of Kayamandi.

5. RECOMMENDATIONS

- (a) that Council notes, in terms of the Municipal Finance Management Act MFMA Section 116(3), the reasons for required extension and amendment of the current appointment to enable the finalisation of the original scope of work beyond the current appointment term, which is valid only until the end of June 2021;
- (b) that Council takes note that reasonable notice of intention to amend the contract or agreement in terms of section 116(3)(b)(i) was given to the public;
- (c) that Council takes note that the local community was invited to submit representations to the Municipality in terms of Section 116(3)(b)(ii);
- (d) that Council approves the extension of the appointment for an additional period of 36 months for the Zone O and 15 months for the Kayamandi Towns Centre Development; and
- (e) that the Municipal Manager be authorised to conclude the extension of the appointment in terms of the applicable legislation.

6. DISCUSSION / CONTENTS**6.1 Background**

On the 28 May 2015, during the 35th Council Meeting, after debating the proposed Northern Extension of Stellenbosch, Council resolved to proceed with *“the appointments of a seasoned project manager to project manage amongst other the planning, feasibility studies, fund raising, property negotiations, design and implementation of this project”*.

Jubelie Project Management (Pty) Ltd was selected from the multi-disciplinary team of professionals from tender B/SM 28/16.

On 23 August 2016, the Municipality entered into a Service Level Agreement (SLA) with Jubelie Project Management (Pty) Ltd to proceed with the council approval recommendations in three phases:

- Phase 1 – Feasibility study within 150 days of appointment;
- Phase 2 – Development approvals within 380 days of Phase 1; and
- Phase 3 – Detailed designs within 100 days of Phase 2.

The Service Level Agreement *inter alia* refers to the following:

“Clause 2.2 – Jubelie Project Management (Pty) Ltd must oversee the planning and development of the area....., inclusive of land acquisitions and disposals, raising of development finance and acquiring all required approvals and authorisations.

Clause 2.3 – The development objectives include the areas of Kayamandi, Cloetesville and Ida’s Valley.”

An order was issued on 10 February 2017 to the service provider for Phase 1 of their appointment – feasibility study.

During March 2017, Stellenbosch Municipality extended their scope to conduct a feasibility study for the Kayamandi Town Centre. This was done as the service provider had to consider the planning for the Northern Extension in a holistic manner and as the redevelopment of the Town Centre was integral to the planning of the Northern Extension.

Jubelie Project Management (Pty) Ltd was also appointed during 2013 to attend to the emergency work when a large portion of Zone O informal settlement was destroyed in a fire. Subsequent to their emergency work appointment they were appointed to finalise the detailed town planning and LUPA submission for Zone O.

The informal areas of Kayamandi should be seen as an integrated development. No one part of Kayamandi can develop without considering relocating residents to other areas, as formalisation of these areas cannot cater for all the informal structures in these areas. For this reason, council decided to consider planning for the Northern Extension of Stellenbosch. The Northern Extension, Kayamandi Town Centre, Enkanini and Zone O should therefore be seen as an integrated and holistic development, **a mega project**, preferably with the same team responsible for the planning and implementation of these areas.

Zone O & Kayamandi Town Centre development potential:

• Zone O	711
• Kayamandi Town Centre	<u>1854</u>
	2 565

Jubelie Project Management (Pty) Ltd is a majority black owned company with more than 80% of its shareholding vesting in black ownership. It is also a BBBEE level 3 contributor. Jubelie Project Management (Pty) Ltd is a QME with a turnover of approximately R15m per year.

Jubelie Project Management (Pty) Ltd is a specialist subsidy (low cost) housing consulting firm and the directors of the company has managed the implementation of more than 30 000 state subsidized housing units in the last 20 years. In 2016, Jubelie Project Management (Pty) Ltd was appointed by the Western Cape Government: Human Settlements, as project and construction managers for 2 of the Province's catalytic housing projects. The first project is in Paarl (Vlakkeland) consisting of ±2 500 housing units and the other a project in Worcester (Transhex) consisting of ±9 000 housing units.

Jubelie Project Management (Pty) Ltd has successfully implemented the following projects within Stellenbosch Municipality:

- Zone O emergency services;
- Northern Extension feasibility study;
- Zone O LUPA application;
- Jamestown services and tops 162 housing units;
- Feasibility study De Nova;
- Klapmuts WWTW environmental approvals (EIA);
- Access to Basic Services;
- Access road Langrug township;
- Kayamandi Town Centre feasibility study; and
- Watergang installation of civil services 295 erven.

There is no doubt of Jubelie's track record and capabilities to implement housing projects, in particular state subsidized projects such as the Kayamandi Town Centre.

The communities of Kayamandi are extremely volatile. As part of Jubelie's appointment for the Northern Extension, Zone O and Kayamandi Town Centre they have built relationships with these communities and trust within the communities. It will be to the advantage of the Municipality to continue with them as service providers.

The proposed extension to the existing appointment of the service provider has been advertised in Die Burger and Municipal website on 7 May 2021 (see attached **ANNEXURE 1**) providing the public the opportunity to submit representations and/or comments within 14 days of advertisement. No representations or comments have been received.

6.2 Discussion

The Kayamandi Town Centre was included in this appointment and orders were issued to complete Phase 1 – Kayamandi Town Centre: Feasibility study. The feasibility studies were presented to Council and approved. It is in the best interest for the Municipality to proceed with the current service provider for Phase 2 of initial scope of work. In compliance with S116(3)(a) of the MFMA and paragraph 3.3.2 *supra*:

6.2.1 Zone O, Kayamandi:

Herewith the reason for the delays on Zone O for not concluding the works as per the appointment:

- i) Delay in approval of development rights by the Stellenbosch municipality (Delay of 16 months):
 - Land Use Planning Application (LUPA) submission 01 October 2018; and
 - Approval of LUPA 03 February 2020;
- ii) Funding approval from the Department of Human Settlements (Delay of 6 months):
 - Project Implementation Readiness Report (PIRR) - submission June 2020 (hard Copies), 21 September 2020 (Electronic copies);
 - Approval of the PIRR 08 December 2020; and
 - Impact of COVID-19 during March – May 2020 lockdown;
- iii) Services and House Plan Design Approval: delay of 6 months (to finalize):
 - Delay of moving families and relocate to other areas outside the construction area; and
 - Phase 2 of the construction can only commence once families are relocated for each future phases.

6.2.1.1 Timelines in order to complete the works

The realistic delivery period is 36 months and the outstanding work is listed below:

- Civil services design approval;
- House plan final draft, submission and approval;
- Finalise tender document;
- Tender process;
- Implementation – civil services and top structures (approval of houses still in the process. Houses can only be built when the services are installed); and
- Project and Contract Management for the construction of top structures.

6.2.2 Kayamandi Town Centre:

The reasons for the delay on the Kayamandi Town Centre is attributed to the following:

- i) Delay in approval of the study area and business node for Kayamandi Town Centre (Delay of 8 months);
- ii) Kayamandi residents did not initially accept the feasibility study and Council approval for the 1909 units;
- iii) Various engagements with Kayamandi Town Centre residents - Visit to N2 Gateway development (Joe Slovo Model) on 19 February 2020);

- iv) Awaited funding (Project Feasibility Report - submission June 2020 (hard Copies), 21 September 2020 (Electronic copies)) approval from the Department of Human settlements (months) with regards to detail planning processes; and
- v) Community participation process was halted due to impact of COVID-19 lockdown.

It is not practical to complete and finalise the detailed planning and obtain development rights in three years (period June 2018 to June 2021) as the detailed planning funding approval from the Provincial Department of Human Settlements is only expected between June and September 2021 to proceed with implementation. The timeframe to obtain all necessary development rights is approximately 12-15 months.

6.2.2.1 Timelines in order to complete the works

The realistic delivery period is between 12- 15 months for the final draft, submission and approval. The outstanding work is listed below:

- Finalise the draft layout;
- Finalise the Engineering Services Design;
- Application for Rezoning;
- Application for Sub division;
- Application for Consolidation; and
- Application for Closure of Public Place.

Having said the above and taking into consideration the amount of work that has been completed as well as the body of information that has been generated, which includes a particular design methodology and expressing the ideas of Council. The wealth of experience that the service provider has gained could only be beneficial to Council.

6.3 Should we not (re)appoint the service provider?

It would cost the Municipality significantly more to review of the design and community participation process.

It would be impractical and not cost effective for Council to follow a different procurement process.

The feasibility studies incorporating concept designs and layout plans were approved by Council, and might have to be revised or rescinded or amended.

It is therefore not practical or cost effective for Stellenbosch Municipality to appoint new service providers for what is merely a continuation of their appointment by the Stellenbosch Municipality.

6.4 Financial Implications

Kayamandi Town Centre

Application for Planning of Kayamandi Town Centre has already been made to Provincial Department of Human Settlements (PDoHS) who has approved an amount of R1 385 920 to fund the feasibility study phase and R1 303 9440 for the planning and environmental approvals.

The professional fees required for the Kayamandi Town Centre in order to obtain township approvals, implementation and electrical designs is R2 555 665 (based on the 2018/19 subsidy quantum, see attached **ANNEXURE 2**).

Zone O, Kayamandi

The LUPA application was submitted to the Department: Planning and Economic Development.

The Municipal Planning Tribunal (MPT) approved the development proposal and layout, the project is implementation ready and the civil drawings are being finalised with the Directorate: Infrastructure Services.

The approved subsidy quantum of the PDoHS will be applicable. The approval for the entire project must be broken down per phases (first phase will be 178 stands).

The budget as approved by PDoHS is R53 784 415 for the installation of civil services. Project Management cost of 8% (based to the 2018/19 subsidy quantum) has been allocated in the amount of R3 984 030.74 (see attached **ANNEXURE 3**).

6.5. Legal Implications**6.5.1 SCM Guide for Accounting Officer**

In terms of paragraph 5.9.5.2, of the SCM Guide for Accounting Officers **a single source selection** may be appropriate, but only if it present a clear advantage over competition; e.g. for tasks that represent a **natural continuation** of previous work carried out by the Service Provider.

Further in terms of paragraph 5.9.5.3 the reason for a single source selection should be recorded and approved by the Accounting Officer or his/her delegate prior to the conclusion of a contract. See **ANNEXURE 4** for abstract from Guidelines.

6.5.2 Municipal Finance Management Act (MFMA)

In terms of Section 116(3) of the MFMA, *“a contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after:*

- c) The reasons for the proposed amendment have been tabled in the council of the municipality; and*
- d) The local community-*
 - iii) has been given reasonable notice of the intention to amend the contract or agreement; and*
 - iv) has been invited to submit representations to the municipality or municipal entity.”*

6.6 Comments from Legal Service

In order to ensure uniformity in application of the MFMA Section 116(3), the National Treasury issued MFMA Circular number 62/2012 where it is stated that contracts for construction related goods or services may be expended or varied by 20% of the original contract value, and contractors for general goods or services may be expanded or varied by 15% of the original contract value, though internal process. Any expansion or variation in excess of the aforementioned thresholds must be reported to Council and dealt with in terms of the provision of Section 116(3) of the MFMA. The item and recommendations are supported.

6.7. Staff Implications

None

6.8. Previous / Relevant Council Resolutions:

None

6.9. Risk Implications

This report has no risk implications for the Municipality.

6.10. Comments from Senior Management

This said item served before a Special BAC on 30 April 2021 and all directors supporting the recommendations.

ANNEXURES

Annexure 1: Advertisement

Annexure 2: PDoHS approval for Kayamandi Town Centre

Annexure 3: PDoHS approval for Zone O, Kayamandi

Annexure 4: Abstract from Guidelines

FOR FURTHER DETAILS CONTACT:

NAME	<i>Lester van Stavel</i>
POSITION	<i>Manager: Housing Development</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8462</i>
E-MAIL ADDRESS	lester.vanstavel@ Stellenbosch.gov.za
REPORT DATE	<i>24 May 2021</i>

ANNEXURE 1



NOTICE 35/2021

NOTICE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE AMENDMENT TO THE EXISTING APPOINTMENT OF JUBELIE PROJECT MANAGEMENT (PTY) LTD FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP APPROVALS AND IMPLEMENTATION FOR THE ZONE O AND KAYAMANDI TOWN CENTRE HOUSING PROJECT, STELLENBOSCH.

Notice is hereby given in terms of Section 116 (3) (a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that it is the intention of the Stellenbosch Municipality to amend the existing contract:

Number: B/SM 16/16

Description: AMENDMENT TO THE EXISTING APPOINTMENT OF JUBELIE PROJECT MANAGEMENT (PTY) LTD FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP APPROVALS AND IMPLEMENTATION FOR THE ZONE O AND KAYAMANDI TOWN CENTRE HOUSING PROJECT, STELLENBOSCH.

Consultant: Jubelie Project Management (Pty) Ltd

Reasons for the proposed amendment: Due to the impact of Covid-19 and the delay of external funding approvals, the appointed scope cannot be finalised within the appointment term which ends on 30 June 2021. The extension of the appointment terms is required to enable the finalisation of the implementation process of Zone O and land use application approval process which forms part of the original scope of work for Kayamandi Town Centre. The current appointed service provider has established a valuable relationship with the affected parties which is an integral part of this specific process. It is in the best interest for the Municipality to proceed with the current service provider to complete the scope of work.

It is therefore not practical or cost effective for Stellenbosch Municipality to appoint a new service provider for what is merely a continuation of the ongoing township establishment process.

Notice is hereby further given in terms of Section 21 and 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the local community and interested / affected parties are invited to submit comments or representations to the Municipality in respect of the above, such comments or representations must be received within 14 days of advertisement via electronic mail to the e-mail address provided below, or be delivered to the undersigned to the mailing address provided hereunder. Persons who are physically disabled or who cannot read or write but wish to participate in the process, may come during office hours to the Municipal Offices, Supply Chain Department, Plein Street, Stellenbosch, where a staff member will assist that person to transcribe that person's comments or representations.

Comments and/or representations must be submitted to the following e-mail addresses: s116.contracts@stellenbosch.gov.za and ihs.admin@stellenbosch.gov.za, with the subject line entitled **"B/SM 16/16: COMMENTS ON NOTICE OF AMENDMENT TO THE EXISTING APPOINTMENT OF JUBELIE PROJECT MANAGEMENT (PTY) LTD FOR THE AWARDED TENDER B/SM 16/16 FOR THE TOWNSHIP APPROVALS AND IMPLEMENTATION FOR THE ZONE O AND KAYAMANDI TOWN CENTRE HOUSING PROJECT, STELLENBOSCH.**

The closing time for the submission of representations and/or comments must be received within 14 days of advertisement at **12h00**. No comments or representations received after this time and date will be considered.

All enquiries regarding this intent can be directed to the following official:

Name and Surname : Shaun October
E-mail address : ihs.admin@stellenbosch.gov.za
Physical address : Stellenbosch Municipality
Department: Housing Development
Oude Bloemhof Building
3rd Floor
Plein Street
Stellenbosch
7600

**Geraldine Mettler
Municipal Manager**

ANNEXURE 2

**SUB-DIRECTORATE: CONTRACT MANAGEMENT**

REFERENCE: 16/1/1/2183/3258

ENQUIRIES: Ms S Fortuin

The Municipal Manager
 Stellenbosch Municipality
 P O Box 17
STELLENBOSCH
 7599

Attention: Mr Lester van Stavel

KAYAMANDI TOWN CENTRE HOUSING PROJECT: APPLICATION FOR THE APPROVAL OF THE (I) INCREASE OF THE PLANNING APPROVAL FROM 1000 TO 1854 SITES; (II) PROJECT FEASIBILITY REPORT AND RELEASE OF TRANCHE PAYMENT 1.2; AND (III) REVISED FINANCIAL DETAILS OF THE PROJECT, IN TERMS OF THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME (UISP) : PROJECT NO. 3258 AND HSS NO. W16060005

I have the pleasure to inform you that your application has been approved per resolution number **21/44** dated **03 May 2021** as set out below:

- (a) The increase of the Planning approval from 1000 to 1854 sites;
- (b) The Project Feasibility Report application and Release of tranche payment 1.2, in the amount of **R2 555 665.00** (based on the 2018/2019 subsidy quantum); and

Stages 1 & 2 (2018/2019 funding Limits)	NO. OF SITES	Per site	Total Amount
TRANCHE 1.2			
Detailed town planning	1 854	R 540.93	R1 002 884.22
Geotechnical investigation	1 854	R 96.18	R 178 317.72
Civil Engineer	1 854	R 604.74	R1 121 187.96
Subtotal for Tranche 1.2	1 854	R1 241.85	R2 302 389.90
Project Management costs (8%)	1 854	R 99.35	R 184 194.90
Survey, Registration costs (3%)	1 854	R 37.26	R 69 080.04
Total for Tranche 1.2	1 854	R1 378.46	R2 555 664.84
Tranche 1.2 rounded			R2 555 665.00

- (c) The revised financial details of the project in the amount of **R3 941 585.00** [i.e. R2 689 860.00 previously approved **increased by R1 251 725.00**] based on the 2014/2015 and 2018/2019 subsidy quanta.

DESCRIPTION	SITES	TOTAL
Previous Tranche payment 1.1	1 000	R1 385 920.00
Tranche payment 1.2	1 854	R2 555 665.00
Total Tranche payment	1 854	R3 941 585.00

WITH FURTHER CONDITIONS:

- (d) The Developer to note that the Tranche payment 1.2 would be released on signing of the addendum to the agreement between the Developer and the Department;
- (e) The Developer to note that should the yield of the number of sites reduce within the PFR application, as approved for Tranche payment 1.1 (Project Initiation Document Application), the cost difference between the number of sites would be off-set against the approval of the PFR (Tranche payment 1.2), thus reducing any future claims. Developers should be circumspect when applying for PID application funding and base the estimated yield of a proposed project on sound Planning and Development principles that does not lead to major over or underestimation of the project yield;
- (f) **The Developer to ensure that a thorough assessment of the bulk services infrastructure capacity is undertaken and that the bulk services are in place prior to the construction of houses, and funded from other sources;**
- (g) **The Developer to submit written confirmation that the R7 627 000.00 sewer upgrade is budgeted for on the relevant municipal infrastructure budget;**
- (h) The Developer to formulate a strategy for the management of the settlement, which includes community support during the decanting and relocation process, to prevent re-invasions and informal settlement growth within 3 months of signing of the Contract agreement;
- (i) The Developer to ensure that an Environmental Control Officer (ECO) is appointed for the construction phase of the project;
- (j) The Developer to note that preference should be given to qualifying beneficiaries prioritising the Elderly, Military veterans, People with disabilities and Child-headed households, in line with the National Department of Human Settlement's directive dated 30 September 2020;
- (k) All the other previously approved conditions to remain unchanged and in effect; and
- (l) The existing Contract Agreement be amended accordingly.

Yours sincerely


HEAD OF DEPARTMENT: HUMAN SETTLEMENTS**DATE: 07.05.21**

ANNEXURE 3



REFERENCE: 16/1/1/2053/1
ENQUIRIES: Ms S Fortuin

The Municipal Manager
Stellenbosch Municipality
P O Box 17
Stellenbosch
7599

Attention: Mr Lester van Stavel

KAYAMANDI, WATERGANG PHASE 2, ZONE O HOUSING PROJECT: APPLICATION FOR CONDITONAL APPROVAL OF THE (I) FINANCIAL DETAILS FOR THE INSTALLATION OF CIVIL ENGINEERING SERVICES TO 711 SITES; (II) ALLOCATION OF THE NHBC PROJECT ENROLMENT FEES; AND (III) REVISED FINANCIAL DETAILS OF THE PROJECT, IN TERMS OF THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME (UISP): PROJECT NO. 2053/1 & HSS NO. W15030001

I have the pleasure to inform you that your application has been approved per resolution number **21/03** dated **27 January 2021** as set out below:

- (a) Financial details for the installation of civil engineering services to 711 sites (**A-Grade Level**), in the amount of **R53 784 415.00** (based on the 2018/2019 subsidy quantum);

STAGE 3 (2018/2019 FUNDING LIMITS)	NO. OF SITES	Per site	Total Amount
Detailed town planning	711	540.93	384 601.23
Land surveying and pegging	711	400.70	284 897.70
Contour survey	711	80.15	56 986.65
Land survey examination fee	711	124.21	88 313.31
Civil engineering fee	711	1,209.47	859 933.17
Site supervision fees	711	304.50	216 499.50
Permanent engineering services provision - Grade A Level	711	39,074.94	27 782 282.34

'Social and Commercial sites	8	31,394.24	251 153.92
Subtotal for Stage 3			29 924 667.82
Survey, registration, participation, etc. (3% of total cost)			897 740.03
Subtotal for Stage 3			30 822 407.85
EXTRAS			
Relocation grant	711	1,540.38	1 095 210.18
Geotechnical variation	711	5,773.98	4 105 299.78
Additional Geotechnical	711	19,377.59	13 777 466.49
Total for extras	711		18 977 976.45
Subtotal for Stage 3 Inc. Extras			49 800 384.30
Project management (8% of total cost)			3 984 030.74
Total costs for Stage 3 rounded			53 784 415.00

NOTE

A Geotechnical variance of R5773.98 per site has been recommended; and

Service Variance Evaluation	Amount/Site
Erodibility of soil: Category 1: Surface Drainage	R1 183.11
Dolomite: Category 1: Class P	
Design and construction of township services	R1 295.39
Topography of the site: Category 5: Slope more than 1:5	
Additional earthworks to roads	R 331.02
Stormwater control measures	R1 622.80
Subtotal	R4 432.32
Professional Fees (10%)	R 443.23
Subtotal	R4 875.55
Additional escalation [6%(2yrs) + 5.4%(1yr)]	R 898.43

CAPE WINELANDS: STELLENBOSCH MUNICIPALITY: KAYAMANDI, WATERGANG PHASE 2, ZONE O HOUSING PROJECT: APPLICATION FOR CONDITIONAL APPROVAL OF THE (I) FINANCIAL DETAILS FOR THE INSTALLATION OF CIVIL ENGINEERING SERVICES TO 711 SITES; (II) ALLOCATION OF THE NHBC PROJECT ENROLMENT FEES; AND (III) REVISED FINANCIAL DETAILS OF THE PROJECT, IN TERMS OF THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME (UISP): PROJECT NO. 2053/1 & HSS NO. W15030001

Total per site	R5 773.98
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Additional Geotechnical Costs;

Additional Geotechnical Costs	Amount
Bulk earthworks	R 1 603 086.46
Retaining structures	R 7 154 689.16
Provision for bus/taxi stops, traffic calming	R 2 039 281.78
Attenuation of stormwater run-off	R 504 276.82
Sub-surface drainage	R 1 162 857.00
Additional Site Supervision	R 60 781.32
Subtotal	R12 524 972.54
Professional Fees (10%)	R 1 252 497.25
Total	R13 777 469.79

- (b) The financial details for the allocation of NHBRC Project Enrolment Fees in the amount of **R1 200 537.72**, calculated as follows:

$$R168\,852.00 \times 1\% \times 711 \text{ sites} = R1\,200\,537.72$$

Note:

The NHBRC fees will only be released on actual claims submitted by the National Home Builders Registration council and does not form part of the funding allocation.

- (c) The revised financial details of the Project consisting of 988 sites, in the amount of **R93 270 535.72** [i.e. R38 285 583.00 previously approved **increased by R54 984 952.72**], based on the 2014/2015 and 2018/2019 subsidy quanta;

CATEGORY	SITES	SUBSIDY QUANTUM	TOTAL
Civil Engineering Services	277	2014/2015	R13 691 833.00
1 st Retaining wall			R 1 935 000.00
2 nd Retaining wall			R 2 236 347.00
Construction of TRA units	277	2014/2015	R16 371 808.00
Construction of additional TRA units	55	2014/2015	R 3 250 720.00

CAPE WINELANDS: STELLENBOSCH MUNICIPALITY: KAYAMANDI, WATERGANG PHASE 2, ZONE O HOUSING PROJECT: APPLICATION FOR CONDITIONAL APPROVAL OF THE (I) FINANCIAL DETAILS FOR THE INSTALLATION OF CIVIL ENGINEERING SERVICES TO 711 SITES; (II) ALLOCATION OF THE NHBRC PROJECT ENROLMENT FEES; AND (III) REVISED FINANCIAL DETAILS OF THE PROJECT, IN TERMS OF THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME (UISP): PROJECT NO. 2053/1 & HSS NO. W15030001

Planning approval for Zone O	711	2014/2015	R 799 875.00
Civil engineering services for Zone O	711	2018/2019	R53 784 415.00
NHBRC Project Enrolment fees	711		R 1 200 537.72
TOTAL	988		R93 270 535.72

WITH FURTHER CONDITIONS:

- (d) **Your Council to allocate the income generated from the sale of the Idas Valley FLISP project sites, to the amount of R10 million and kept in Your Council's Separate Operating Account (SOA), to this project);**
- (e) **Your Council to follow the Standard Operating Procedures (SOP) of the Department to obtain Ministerial approval for the use of the SOA funding, referred to in condition (d), above**
- (f) **Your Council to implement and manage the project within their Indicative allocation;**
- (g) Your Council to ensure that the standard of services for each existing erf and the internal services comply with the Minimum Design and Construction Standards for Internal A Grade Engineering services of Circular C7 of 2014 and amended in April 2018;
- (h) Your Council to submit a revised construction and milestone schedule/ cash flow programme, as soon as the project has received final approval by the Department;
- (i) Your Council to note that claims will only be paid on achievement of the payment milestones schedule and progress payments will be made against proof of actual expenditure. Your Council must fund all claims exceeding the approved funding amounts and therefore, payments to this project will only be made to the maximum amount available within the Indicative allocation to Your Council;
- (j) Your Council to formulate a strategy for the management of the settlement, which includes community support during the decanting and relocation process, to prevent re-invasions and informal settlement growth within 3 months of signing of the Contract agreement;
- (k) Your Council to confirm in writing that the bulk infrastructure services, particularly the upgrade of the Main Outfall Sewer, is implemented parallel with the Zone O development and will be in place prior to occupation of the sites, funded from other sources;
- (l) Your Council to submit the approved General Plan upon completion of the sites but prior to the commencement of the construction of the top structures;
- (m) Your Council to implement the project using "Green Procurement" throughout the procurement processes, which includes water saving measures, as stated in the Department's Water Crisis Response Policy guidelines of November 2017 and Circular C1 of 2018; and
- (n) Your Council to submit a more detailed beneficiary list that is aligned with the priority categories as indicated by the National Department's letter dated 30 September 2020, prior to consideration for approval and commencement of the construction of the top structures;
- (o) All the other previously approved conditions to remain unchanged and in effect; and

CAPE WINELANDS: STELLENBOSCH MUNICIPALITY: KAYAMANDI, WATERGANG PHASE 2, ZONE O HOUSING PROJECT: APPLICATION FOR CONDITIONAL APPROVAL OF THE (I) FINANCIAL DETAILS FOR THE INSTALLATION OF CIVIL ENGINEERING SERVICES TO 711 SITES; (II) ALLOCATION OF THE NHBRC PROJECT ENROLMENT FEES; AND (III) REVISED FINANCIAL DETAILS OF THE PROJECT, IN TERMS OF THE UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME (UISP); PROJECT NO. 2053/1 & HSS NO. W15030001

(p) The existing Contract Agreement to be amended accordingly.

Yours sincerely



HEAD OF DEPARTMENT: HUMAN SETTLEMENTS

DATE: 28 JAN 2021

ANNEXURE 4

rejected. The consultant who has submitted the highest ranked technical proposal should be selected and invited to negotiate a contract.

5.9.3 Least-cost selection

5.9.3.1 This method is more appropriate to selection of consultants for assignments of a standard or routine nature (audits, noncomplex projects, and so forth) where well-established practices and standards exist and in which the contract amount is small. Under this method, a "minimum" qualifying mark for the "functionality" is established. Proposals to be submitted in two envelopes are invited. Technical envelopes are opened first and evaluated. Those securing less than the minimum mark should be rejected and the financial envelopes of the rest are opened in public. The firm with the highest points should then be selected. Under this method, the qualifying minimum mark should be established, keeping in view that all proposals above the minimum compete only on "cost" and promotion of HDIs and RDP objectives. The minimum mark to qualify should be stated in the RFP.

5.9.4 Selection based on consultants' qualifications

5.9.4.1 This method may be used for very small assignments for which the need for preparing and evaluating competitive proposals is not justified. In such cases, the accounting officer should prepare the TOR, request expressions of interest and information on the consultants' experience and competence relevant to the assignment and select the firm with the most appropriate qualifications and references. The selected firm should be requested to submit a combined technical-financial proposal and then be invited to negotiate the contract.

5.9.5 Single-source selection

5.9.5.1 Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost and lacks transparency in selection and could encourage unacceptable practices. Therefore, single-source selection should be used only in exceptional cases. The justification for single-source selection should be examined in the context of the overall interests of the client and the project.

- 5.9.5.2 Single-source selection may be appropriate only if it presents a clear advantage over competition.
- * for tasks that represent a natural continuation of previous work carried out by the firm,
 - * where a rapid selection is essential (for example, in an emergency operation);
 - * for very small assignments, or
 - * when only one firm is qualified or has experience of exceptional worth for the assignment.
- 5.9.5.3 The reasons for a single-source selection should be recorded and approved by the accounting officer or his / her delegate prior to the conclusion of a contract.
- 5.9.5.4 When continuity for downstream work is essential, the initial RFP should outline this prospect and if practical, the factors used for the selection of the consultant should take the likelihood of continuation into account. Continuity in the technical approach, experience acquired and continued professional liability of the same consultant may make continuation with the initial consultant preferable to a new competition, subject to satisfactory performance in the initial assignment. For such downstream assignments, the accounting officer should ask the initially selected consultant to prepare technical and financial proposals on the basis of TOR furnished by the accounting officer, which should then be negotiated.
- 5.9.5.5 If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or reserved procurement or if the downstream assignment is substantially larger in value, a competitive process acceptable to the accounting officer should normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest.
- 5.9.5.6 Where, in exceptional instances, it is impractical to appoint the required consultants through a competitive bidding process and a South African based consultant is used, the *Guidelines on Hourly Fee Rates for Consultants* issued by the Department of Public Service and Administration may be used as a benchmark to establish the appropriate tariffs, or to determine the reasonableness of the tariffs.

7.5	INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT)
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NONE

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

7.7	PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR E GROENEWALD (MS))
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7.7.1	PERMISSION TO ALLOW FOR MOBILE UNITS TO TRADE AT PRE-DETERMINED SITES WITHIN THE WC024 AREA, AND ALSO PERMIT THE CONTINUED ISSUING OF TEMPORARY INFORMAL TRADING PERMITS AT INFORMAL TRADING SITES WITHIN THE FRANSCHHOEK & GROENDAL AREA
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Collaborator No: 706030
IDP KPA Ref No: Valley of Opportunity
Meeting Date: 15 June 2021

- 1. SUBJECT: PERMISSION TO ALLOW FOR MOBILE UNITS TO TRADE AT PRE-DETERMINED SITES WITHIN THE WC024 AREA, AND ALSO PERMIT THE CONTINUED ISSUING OF TEMPORARY INFORMAL TRADING PERMITS AT INFORMAL TRADING SITES WITHIN THE FRANSCHHOEK & GROENDAL AREA**

- 2. PURPOSE**

To request approval for piloting informal trading on predetermined sites for mobile trucks / kiosks, e.g. food trucks & coffee carts, etc. for a period of one (1) year, or until such time the draft informal trading bylaw is adopted by Council. The report is also aimed at the obtaining of Council approval to permit the continued informal trading within the identified areas in Franschhoek & Groendal for the period contained within the promulgated Regulations in terms of Section 27(2) of the Disaster Management Act 2002.

- 3. DELEGATED AUTHORITY**

Council

- 4. EXECUTIVE SUMMARY**

Council to approve the request to allow the Department: Development Planning to pilot informal trading in the form of mobile trading within pre-determined areas, as stipulated within the draft Informal Trading Bylaw, as well as granting the Department: Development Planning to continue with the issuing of temporary informal trading permits during the COVID-19 lockdown period within Franschhoek, mobile traders as foreseen in the pending informal trading By-law.

5. RECOMMENDATIONS

- (a) that Council approves the request of the Directorate Planning & Economic Development to issue permits to informal traders using mobile units to trade within pre-determined areas in accordance with the terms and conditions as temporary set out under 6.2 of this report;
- (b) that Council approves that such mobile informal trading also be allowed on the premises of the Stellenbosch Municipality's Traffic Department (Stellenbosch);
- (c) that the Section: Economic Development & Tourism in consultation with the Director: Community & Safety Services allocate such trading bays and areas within the premises of the Traffic Department (Stellenbosch) or on any other pre-determined areas mentioned in recommendation 5(a) above; and
- (d) that Council approves the continued issuing of temporary informal trading permits within the areas identified within the draft Informal Trading By-law in Franschhoek / Groendal during the COVID-19 lockdown levels as prescribed in terms of the National Disaster Management Act, 2002.

6. DISCUSSION / CONTENTS**6.1 Background**

On 23 March 2020, President Cyril Ramaphosa, in his second address to the nation, announced that South Africa will be in a lockdown for twenty-one (21) days, this lockdown has now been enforced for more than a year. The resultant fact that many persons and residents, businesses, industries has significantly suffered within the period. The job losses have been monumental, and it is still increasing as businesses are closing down.

During the lockdown period regulations promoted the enablement and support of the informal trading economy to assist residents to generate an income. This was done due to the issuing of informal trading permits within a number of areas and locations.

Currently, our country is within Level 1 lockdown regulations as from January 2021, and a number of businesses and industries have resumed their operations, it is however clear that it will take time for our country to turnaround the current declining economic state we find ourselves within as a country, province and local municipality.

The Section: Economic Development & Tourism have received numerous requests from the public to trade using light delivery vehicles or moveable kiosk(s) specially designed for informal trading purposes, e.g. food trucks, food trailers and coffee carts, etc. The same section, who is tasked to enable economic activity have also issued a number of temporary permits within informal trading areas, which are indicated within the draft Informal Trading Bylaw, which have not been adopted by Council at this stage, but have significantly assisted with granting residents the opportunity to trade. A number of new trading areas have been identified within Franschhoek / Groendal, this area's economy which have been "hard hit" as the tourism and hospitality sector, which is the main economic sector in these towns is extremely reliant on international tourists. Work opportunities have thus been scarce for the residents in this area, and a number of residents have resorted to the informal trading market to generate much needed income.

It should also be noted, that under Level 1, the hospitality industry have resumed operations, and although these informal trading vendors have been operating during the lockdown period, one (1) complaint have been received from a guesthouse owner within the Franschhoek Town. The complaint however does not relate to any

disturbance, but merely that the informal trading vendor, who is trading with fruit must be removed. The current COVID-19 lockdown regulations allows municipalities to have a different viewpoint on trading and specifically promotes informal trading, and therefore it is requested that Council support the continued issuing of the temporary informal trading permits in Franschoek / Groendal.

- 6.2** In the case for mobile trading which pilot will be limited to Stellenbosch Town, the current draft trading by-law makes provision for different type of informal trading which includes the use of mobile or removable kiosk that has been specifically designed for trading purposes.

The potential mobile traders must be from Stellenbosch and will be requested to provide photos of the areas, they intend using to ensure that the proposed a meet the criteria as set out below.

- 6.2.1** The following restrictions will be applied when considering the approval of permits:

- a) It obstructs access to fire hydrants or other municipal services.
- b) It obstructs access to any entrance to or exit from buildings.
- c) It prevents pedestrians from using, or substantially obstructs them in their use of a sidewalk.
- d) It causes obstruction on a roadway.
- e) It limits access to parking or loading bays or facilities for vehicular traffic.
- f) On that half of a public road contiguous to a building used for residential purposes if the owner, occupier or person in control of the building objects thereto.
- g) It obstructs access to street furniture, bus passenger benches or shelters, queuing lines, refuse disposal or other facilities intended for the use of the general public.
- h) It obstructs the visibility of display windows in business premises.
- i) If the products or services provided by the mobile trader is in direct competition with establish businesses in the immediate vicinity of the site of intended trade.
- j) It obstructs road traffic signs or makings, vehicles parked alongside such sites, ATM machines, the view of CCTV cameras and pedestrian access to arcades and malls.

- 6.2.2** General Conditions that will apply for all application are as follow:

- 1. May not create a nuisance to other persons;
- 2. May not damage or deface any public road, public place or other municipal property;
- 3. May not stay overnight at the place of such business site;
- 4. May not make an open fire at the trading area;
- 5. Must remove refuse form the site;
- 6. May not fail or refuse to move after having been requested to do so by authorised employees or agents of the municipality;
- 7. Must display permit;
- 8. Permission for safe usage of electricity and water, if and when applicable.

6.3 Financial Implications

There are no financial applications that relate to the operations of the pilot mobile trading or the continued issuing of temporary informal trading.

6.4 Legal Implications

There are no legal implications.

6.5 Previous / Relevant Council Resolutions

The 17th Council meeting: 2014-01-16: Item 7.7 resolved

- a) that Council support the initiative to amend the by-laws for the Supervision and Control of the Carrying on of Business of Street Vendor, Pedlar or Hawker;
- b) that the decision to amend the above-mentioned By-law as well as the proposed proclamation of sites attached be advertised for public comment (internally and externally) before the final decision is made by Council.

6.6 Risk Implications

The risk relates to the weak monitoring of these permits to ensure adherence to the terms and conditions applicable for these types of permits.

RECOMMENDATIONS FROM THE PLANNING, ECONOMIC DEVELOPMENT & TOURISM COMMITTEE TO THE EXECUTIVE MAYOR: 2021-05-04: ITEM 5.2.1

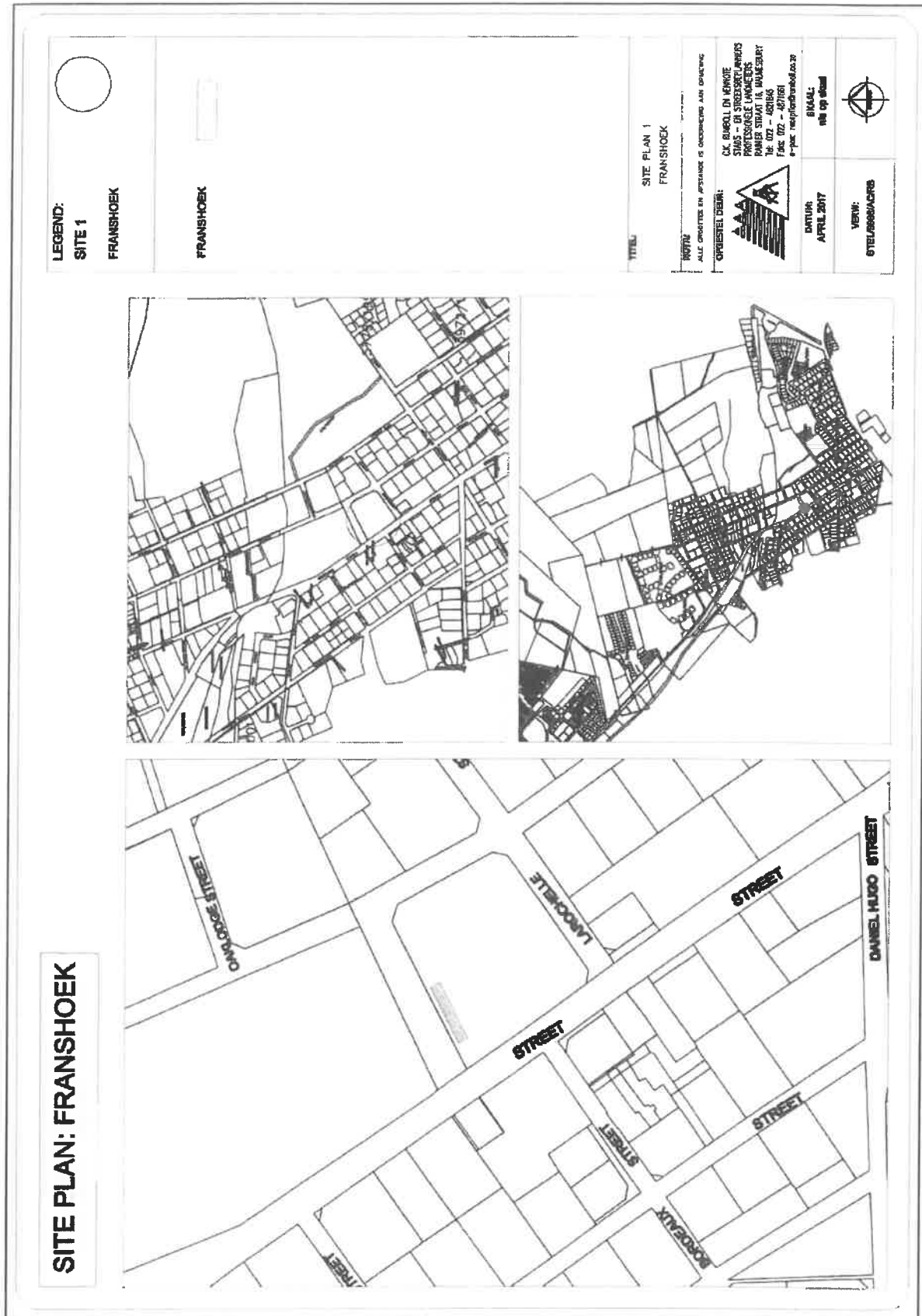
- (a) that Council approves the request of the Directorate Planning & Economic Development to issue permits to informal traders using mobile units to trade within pre-determined areas in accordance with the terms and conditions as temporary set out under 6.2 of this report;
- (b) that Council approves that such mobile informal trading also be allowed on the premises of the Stellenbosch Municipality's Traffic Department (Stellenbosch);
- (c) that the Section: Economic Development & Tourism in consultation with the Director: Community & Safety Services allocate such trading bays and areas within the premises of the Traffic Department (Stellenbosch) or on any other pre-determined areas mentioned in recommendation (a) above; and
- (d) that Council approves the continued issuing of temporary informal trading permits within the areas identified within the draft Informal Trading By-law in Franschhoek / Groendal during the COVID-19 lockdown levels as prescribed in terms of the National Disaster Management Act, 2002.

FOR FURTHER DETAILS CONTACT:

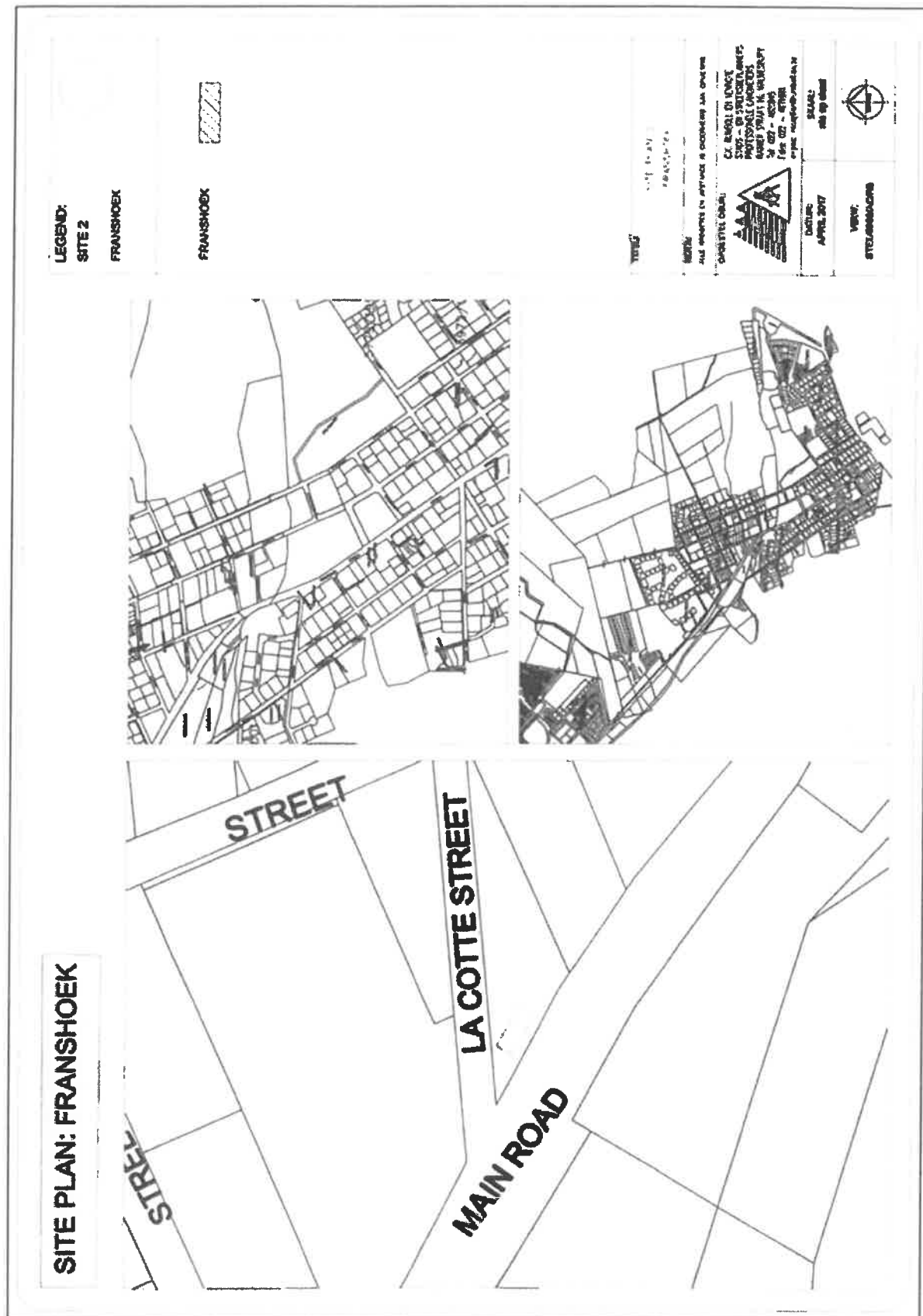
NAME	Dudley Adolph
POSITION	Manager: Economic Development & Tourism
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 6007
E-MAIL ADDRESS	Dudley.Adolph@ Stellenbosch.gov.za
REPORT DATE	29 March 2021

APPENDIX 1

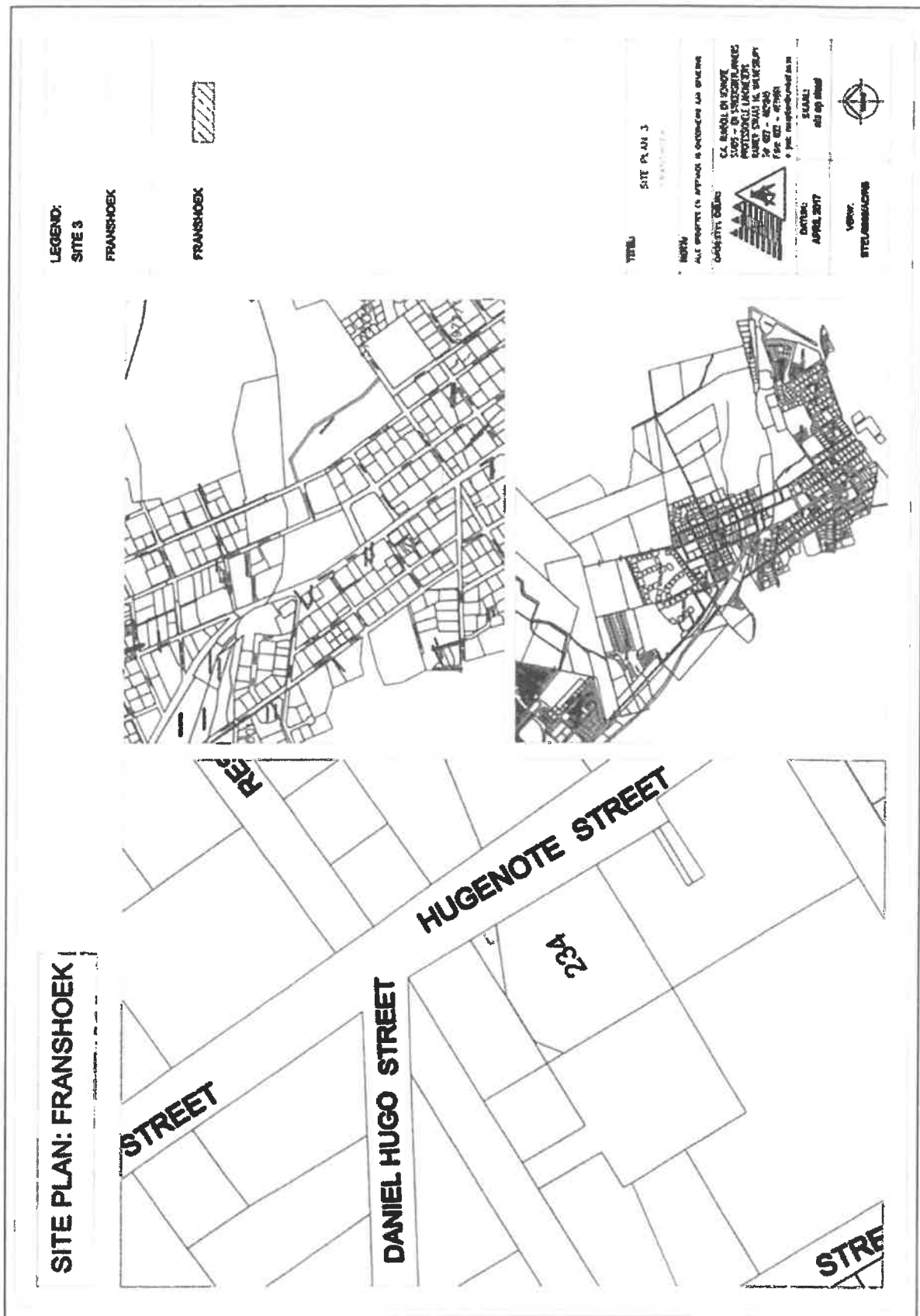
FRANSCHOEK SITE 1



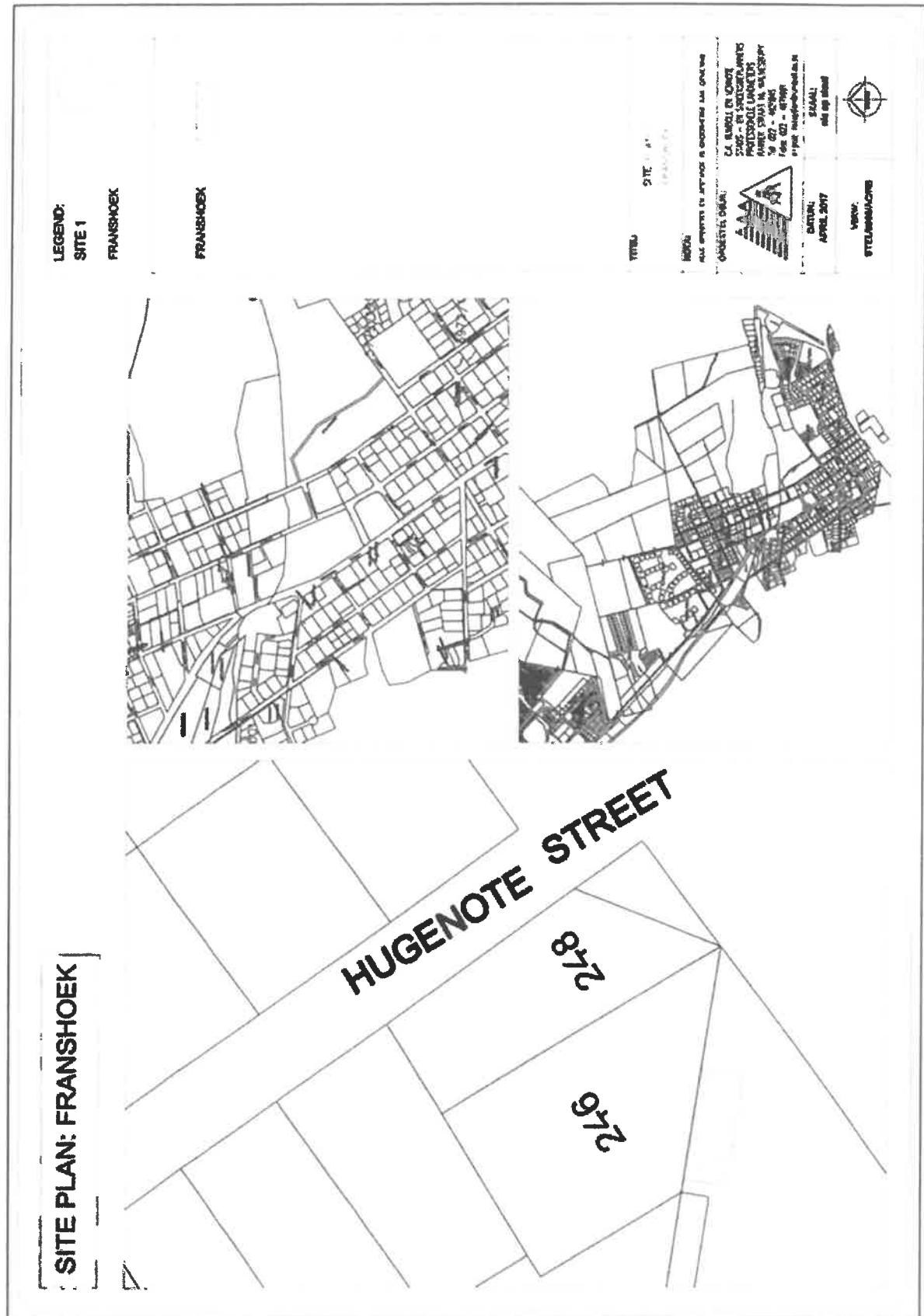
FRANSCHHOEK SITE 2



FRANSCHHOEK SITE 3



FRANSCHHOEK SITE 4



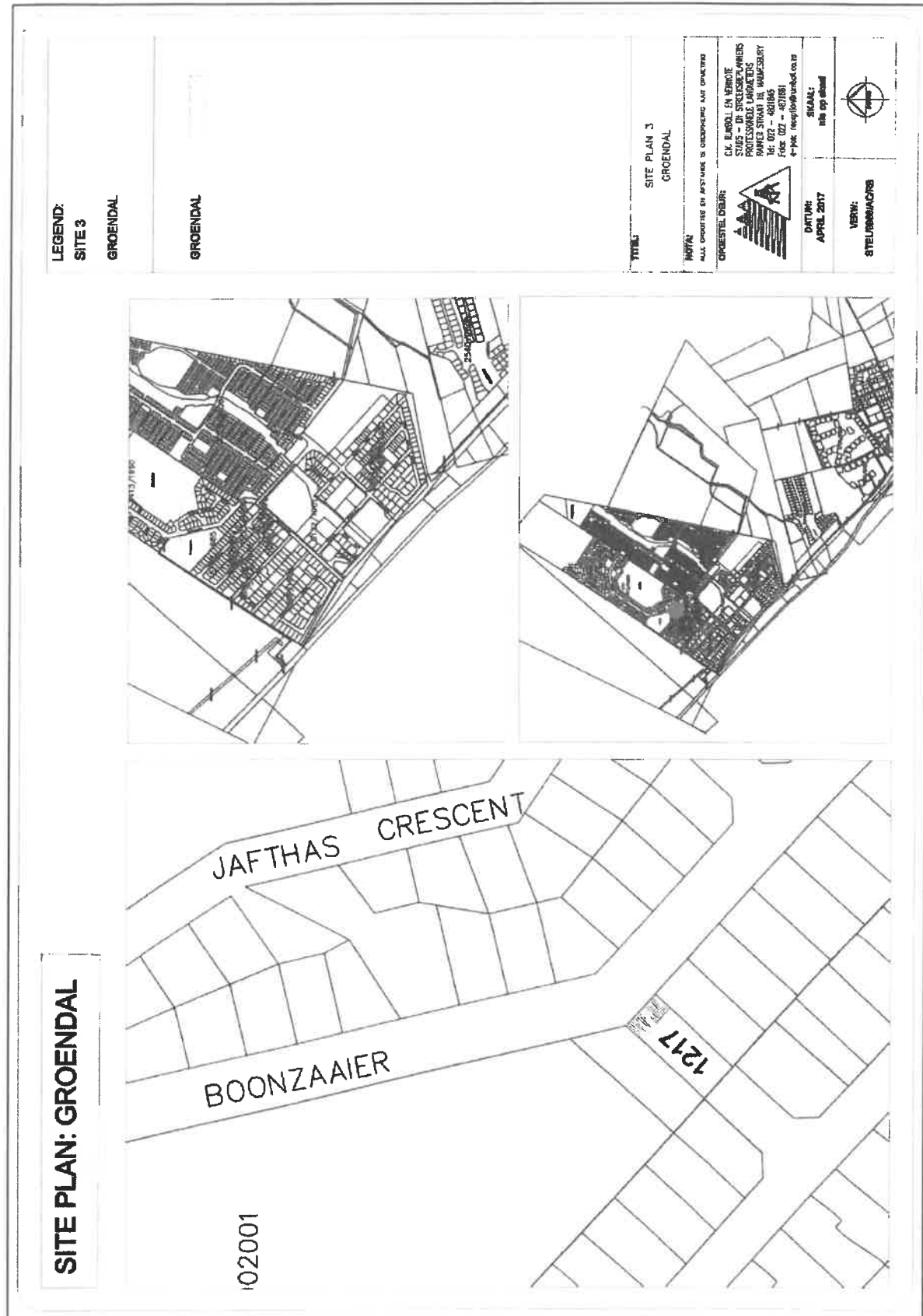
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GROENDAL SITE 2



GROENDAL SITE 3



7.7.2	TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 15 June 2021

1. SUBJECT: TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

2. PURPOSE

To provide Council with the terms of reference for the Establishment of the Conservation Advisory Committee as required in terms of Section 249 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019, and to obtain the required approval to place advertisements for the invitation for members to serve on the said Committee.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Section 249 of the Stellenbosch Municipality Zoning Scheme By-law, 2019 stipulate the following:

“(1) The Municipality shall establish a Conservation Advisory Committee, which may consist of various sub-committees for different overlay zone areas, to make recommendations on planning applications in Urban and Rural Conservation Overlay zones.”

5. RECOMMENDATIONS

- (a) that Council approves and adopts the Terms of Reference for the Establishment of the Conservation Advisory Committee, as contained in **Appendix 1** of this report;
- (b) that Council approves that the Directorate: Planning and Economic Development commences with a process to place an advertisement that will Invite suitably qualified and experienced persons to apply to serve as Members of the Conservation Advisory Committee;
- (c) that Council notes that the Directorate: Planning & Economic Development will submit the preferred candidates to serve as members of the Conservation Advisory Committee to the next Council Meeting scheduled for 28 July 2021 for approval; and
- (d) that Council notes that the Directorate: Planning & Economic Development will submit the Code of Conduct of the Members of the Conservation Advisory Committee for approval to the next Council meeting scheduled for 28 July 2021.

6. DISCUSSION / CONTENTS

6.1 Background

The Stellenbosch Municipality Zoning Scheme Bylaw, 2019 requires the Establishment of a Conservation Advisory Committee in terms of Section 249 of the said bylaw.

The Committee must:

- *The committee shall consider the application and submit their recommendation within the period prescribed by Planning By-law.*
- *The committee may formulate recommendations which may include conditions to be imposed or recommendations on how the proposal should be amended to improve compliance with the Conservation Overlay Policy.*
- *The Municipality may, through its adopted rules and procedures, determine that certain types of applications need not be commented on by the committee, in which case the designated decision-maker within the Municipality may decide on the application as per the appropriate delegations.*

The Urban and Rural Overlay Zones Conservation Overlay Zones is contained within the applicable bylaw, and the Committee is also tasked with providing recommendations to the Delegated Authority, as determined by the Stellenbosch Municipality Register of Delegations, which may be amended from time-to-time on land use applications and all other matters requiring cultural and heritage comments (including signage and outdoor advertising applications).

6.2 Financial Implications

The Committee members will be remunerated at an hourly rate of R1250. Meeting procedures are limited to five (5) hours per meeting and should the duration of meetings require extension of such hours, prior approval must be obtained from the delegated authority.

Current budgetary provision was made for one (1) meeting per month within the 2021 / 2022 approved operational budget.

6.3 Legal Implications

The Establishment of the Conservation Advisory Committee is required in terms of Section 249 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019.

6.4 Previous / Relevant Council Resolutions

None

6.5 Risk Implications

There exists no risk in the Establishment of the Committee.

RECOMMENDATIONS FROM THE PLANNING, ECONOMIC DEVELOPMENT & TOURISM COMMITTEE TO THE EXECUTIVE MAYOR: 2021-05-04: ITEM 5.2.1

- (a) that Council approves and adopts the Terms of Reference for the Establishment of the Conservation Advisory Committee, as contained in **APPENDIX 1** of this report;
- (b) that Council approves that the Directorate: Planning and Economic Development commences with a process to place an advertisement that will invite suitably qualified and experienced persons to apply to serve as Members of the Conservation Advisory Committee;
- (c) that Council notes that the Directorate: Planning & Economic Development will submit the preferred candidates to serve as members of the Conservation Advisory Committee to the next Council Meeting scheduled for 28 July 2021 for approval; and
- (d) that Council notes that the Directorate: Planning & Economic Development will submit the Code of Conduct of the Members of the Conservation Advisory Committee for approval to the next Council meeting scheduled for 28 July 2021.

APPENDICES

Appendix 1: Terms of Reference for the Establishment of a Stellenbosch Municipality Conservation Advisory Committee.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Katherine Robinson</i>
POSITION	<i>Senior Heritage Planner</i>
DIRECTORATE	<i>Planning and Economic Development</i>
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REPORT DATE	<i>27 May 2020</i>

APPENDIX 1



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

TERMS AND REFERENCE FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

Draft Version

APRIL 23, 2021

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Definitions and interpretation of rules

In this document, unless the context requires otherwise -

“Delegated Authority”	Means a municipal employee / Committee who is authorized in terms of delegated by Municipality to exercise a power or perform a duty in terms of National Heritage Resources Act 25 of 1999 and Chapter 25 and 26 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019.
“Chairperson”	Means the person who presides over the meeting. The Chairperson is responsible for making sure that each meeting is effectively conducted according to the constitution and that matters are dealt with in an orderly and efficient manner.
“Committee”	Means the Stellenbosch Municipality Conservation Advisory Committee appointed by Council.
“Committee Officer”	Means an authorized employee appointed/ designated by the Stellenbosch Municipality, whose function is to provide administrative and secretarial support to the Stellenbosch Municipality Conservation Advisory Committee.
“Conservation”	Means the process for managing heritage resources to retain their cultural significance. This includes protection, maintenance, preservation and adaptive re-use of resources. Conservation requires the retention of an appropriate visual context and other relationships that contribute to the significance of place.
“Consultant”	Means a person authorized in terms of the power of attorney to make an application on behalf of the owner of land.
“Council”	Means Municipal Council of Stellenbosch Municipality.
“Cultural landscape”	Means a physical area with natural features and elements that have been modified by human activity which results in layered evidence that has been built up overtime that gives a landscape its descriptive spatial historical aesthetic character that is symbolic and memorable.
“Cultural significance”	Means aesthetic, architectural, historical, social, linguistic, scientific and technological value or significance.
“Development”	Means any physical intervention, excavation or action that are not the result of natural forces, which may, in the opinion of a heritage authority, result in a change to the appearance or physical nature of the place or will influence its stability and future wellbeing.
“Heritage area”	Means a designated geographical area of special architectural historic, social, symbolic, aesthetic/scenic character which is protected by legislative mechanisms wither at provincial or municipal level.
“Heritage resources”	Means any place or object that has cultural significance.
“Heritage site”	Means a place that has been declared a national heritage site (Grade 1) by SAHRA or declared a provincial heritage site (Grade 2) by the provincial resource authority.
“HWC”	Means Heritage Western Cape - the provincial heritage resource authority.
“Member”	Means a person appointed a member of the Stellenbosch Municipality Conservation Advisory Committee by the Stellenbosch Council.
“Minister”	Means the Minister of Arts and Culture
“Municipality”	Means Stellenbosch Municipality located in the Cape Winelands District of the Western Province.
“NHRA”	Means the National Heritage Resources Act, (Act 25 of 1999)

“SAHRA”	Means the South African Heritage Resources Agency
“Zoning Scheme”	Means the Stellenbosch Zoning Schemes Bylaw adopted by Stellenbosch Council

1. The purpose of the Stellenbosch Municipality Conservation Advisory Committee

The Stellenbosch Municipality Conservation Advisory Committee is appointed by Council to assist them with the expertise required in heritage related matters to satisfy the required mandate of Section 249(1) of the Stellenbosch Zoning Scheme By-Law, 2019.

The Conservation Advisory Committee must evaluate and provide advise on all heritage matters in terms of the National Heritage Resources Act 25 of 1999 and any new developments in Overlay Zones in terms of Stellenbosch Zoning Scheme By-Law.

2. Functions of the Stellenbosch Municipality Conservation Advisory Committee

The function of the Conservation Advisory Committee is to advise Council on the various aspects in lieu of the preservation and furthering of the cultural landscape and natural environment of the Greater Stellenbosch Area.

The committee therefore has the following functions:

- 2.1 To advise Council on the aesthetical, functional, architectural, cultural and historical aspects of any new development or contemplated development and with respect to any proposed alterations or additions to existing buildings, structures and elements of the built environment within all declared heritage areas.
- 2.2 To advise Council on the aesthetical, functional, architectural, cultural and historical aspects with respect to any proposed alterations or additions to existing buildings or structures that are specified in terms of Sections 27 & 34 of the NHRA.
- 2.3 To advise Council on any application received for the demolition or partial demolition of any building or structure within any declared Heritage Area or to any structure that is specified in terms of Sections 27 & 34 of the NHRA.
- 2.4 To advise, to Council on any applications received in terms of Section 38 of the NHRA.
- 2.5 To advise, to Council on any applications received that is specified in Terms of the National Environmental Act (No. 107 of 1998).
- 2.6 To provide Council with comments and input on Outdoor Advertising and Signage applications.
- 2.7 To advise Council with the compilation of a heritage register and demarcation of heritage areas as specified in section 30 or 31 of the NHRA of all heritage resources within the greater Stellenbosch.
- 2.8 To evaluate and advise Council on any application for signage as per the approved Outdoor Advertising Signage Policy or Bylaw.
- 2.9 Provide input to the Directorate: Planning and Environment with the development of specific development strategies, guidelines, regulations and procedures pertaining to the preservation and appropriate development of individual declared Heritage Areas.
- 2.10 To provide advise on applications that requires approval by SAHRA and HWC in terms of Section 27 & 34 of the National Heritage Resources Act.

2.11 Should Council be assessed by Heritage Western Cape and be deemed a competent authority in terms of Section 26 read together with section 8 of the Heritage Resource Act, the Committee is to advise Council on the identification and management of Grade III heritage resources.

3. Mandate of the Stellenbosch Conservation Advisory Committee

The mandate of the Committee is to: only advise the delegated authority as per Council's Register of Delegations, on all heritage related applications in the declared Stellenbosch Municipality Urban and Rural conservation overlay zones and all heritage buildings and sites related to the NHRA.

No individual member and/or group of members of the Committee may represent the views and/or authority of the Stellenbosch Municipality.

4. Structure of the Stellenbosch Conservation Advisory Committee

It is recommended that a single Committee structure is adopted, to advise the delegated authority on all heritage related applications in the declared Stellenbosch Municipality Urban and Rural conservation overlay zones and all heritage buildings and sites in Stellenbosch (WC024) Municipality.

A Heritage Committee must consist of:

- 4.1 A minimum of seven (7) members appointed by Council who are not employees and / or Political Office Bearers of Stellenbosch Municipality.
- 4.2 All members must be residents of the Stellenbosch (WC024) Municipality.
- 4.2 In addition, there will be a minimum of two (2) employees of the Municipality.
- 4.3 The Committee must have reasonable knowledge, experience and expertise in the following interrelated fields and professions:
 - Built Environment
 - Cultural Heritage
 - Heritage Management
 - Natural Environment
- 4.4 The Committee members must have appropriate knowledge of the current heritage planning and environmental legislations and policies.
- 4.5 It would be considered advantageous if members have experience in documentation and archival research of South African Heritage or expertise in design and supervision of construction in the heritage environment.
- 4.6 The Committee must strive to compromise of a diverse and inclusive members, which reflect the demographics of the Municipal Area.

5. Terms of Office of the Stellenbosch Conservation Advisory Committee members.

- 5.1 The Municipality will select members by means of an advertised application process.
- 5.2 Members of the Conservation Advisory Committee shall be appointed in accordance with the principles of transparency and representativity.

- 5.3 Their appointment must consider that the members are to have, amongst them, qualifications and / or proven experience in the fields relevant to heritage resources for the efficient functioning of the Heritage Committee.
- 5.4 A member holds office for a term of three (3) years.
- 5.5 A member may be re-appointed by Council for a second term, for a period of two (2) years, provided that the member may not hold office for more than five (5) consecutive years.
- 5.6 On appointment the members must sign a letter of acceptance of the post and a copy of a Code of Conduct of Committee Members that has been approved by the Council.
- 5.7 A member of the Conservation Advisory Committee must vacate the office if a member:
 - 5.7.1 Resigns in writing 1 month prior to date of resignation.
 - 5.7.2 Has been absent from three consecutive meetings of the Heritage Committee without leave of absence.
 - 5.7.3 The Municipal Manager, after consultation with the Director: Planning and Economic Development and the relevant delegated authority, may remove a member from office if in the opinion of the Council there is sound reasons for doing so after hearing the member on those reasons.
- 5.8 If a member vacates the office prior the expiration of the period for which they have been appointed as a member of the Conservation Advisory Committee, another person may be nominated by the Committee and appointed by the Council to fill the vacancy for the remaining portion of the period for which the member was appointed.
- 5.9 Should the need arise, the Committee can put forward a request to Council for the right to co-opt additional members to the committee on a temporary basis should a development issue be dealt with that will have a direct impact on a specific geographic area and a person or persons with sound knowledge of that area exist.

6. Reimbursement of expenses incurred by the Stellenbosch Conservation Advisory Committee

The delegated authority may determine the reimbursement of expenses incurred by members of the Heritage Committee in terms of Stellenbosch Municipality relevant reimbursement policy, only when such expenses have been pre-approved in writing by the delegated authority.

7. Rules of procedure for Meetings of the Stellenbosch Conservation Advisory Committee:

7.1. General:

- 7.1.1 The Conservation Advisory Committee must meet at least once a month or may submit a request to have additional meeting (s) to the delegated authority.
- 7.1.2 The Department responsible for the Heritage Resource Management functionality must determine the dates and times of the Stellenbosch Municipality Conservation Advisory Committee in consultation with the appointed Chairperson of the Committee.
- 7.1.3 Meetings must be held through Microsoft Teams or any other virtual platform available at the time of such meeting, and should the need arise meetings may be held in person, subject to prior approval granted by the delegated authority.

- 7.1.4 The first meeting is to be in person. At this meeting the Members will nominate and vote for a Chairperson, Deputy Chairperson and a Committee Officer, who will record the minutes for the meeting which will be sent to the Delegated Authority.
- 7.1.5 The Committee Officer will be responsible for creating the yearly meeting schedule based on the dated determined by the Conservation Advisory Committee in consultation with the Delegated Authority.
- 7.1.6 The Committee Officer will create the meeting agenda and compile information packs that will be sent to the members through electronic communication a minimum of five (5) working days prior to the meeting.
- 7.1.7 All Members of the Committee must, in writing, specify an electronic mail address, where they will receive a notice of meetings and other official correspondence and are required to acknowledge receipt, in writing, of the upcoming scheduled meeting and receipt of the information packs.
- 7.1.8 Electronic notices of a meeting or any other official correspondence to these addresses will constitutes a paper notice of a meeting.
- 7.1.9 If a member has not received notice of a meeting or all relevant documentation, this will invalidate any proceedings of the meeting.
- 7.1.10 Should the Chairperson be absent on the day of the meeting, the Deputy Chairperson will undertake the duties of the Chairperson.

7.2. Quorum

- 7.2.1 A quorum for a meeting of the Stellenbosch Municipality Conservation Advisory is half (50%) plus 1 of the appointed members.
- 7.2.2 The Chairperson shall, in the event of equality of votes, have a casting vote in addition to his / her deliberative vote.
- ~~7.2.3 If there is no quorum at the beginning of the meeting and the Chairperson is present, the meeting must be postponed 15 minutes. If at the end of that period, if there is still no quorum, the meeting may proceed, however all items discussed will be recorded as "Discussion".~~
- 7.2.4 The minutes can only be recorded as recommendations once a quorum is present.

7.3. Agenda and Site Inspections:

- 7.3.1 A copy of the minutes from the previous meeting, an agenda for the scheduled meeting and copies of all information packs for the meeting must be sent to the Committee Members by the Committee Officer.
- 7.3.2 Meetings should be conducted according to the order in which the matter appear on the agenda, and only matters which are on the agenda and are in writing may be debated. Notwithstanding this, the Chairperson may change the order of matters appearing on the agenda or withdraw an item or refer it back to the Administration, except for allocated appointment items on the agenda.
- 7.3.3 The Committee may conduct a site inspection, with prior approval from the delegated authority, relevant to an application being considered or make use of an official appointed by Council to conduct an inspection.

- 7.3.4 Should a site inspection be required, arrangements are to be made by the Committee Official. All members to confirm dates of availability at the end of the meeting for ease of arrangements.
- 7.3.5 All site inspections are to be recorded in a Site Inspection Report by the members and which should be attached to the minutes of the next meeting.

7.4. Conduct at Meetings and Site Inspections

The Chairperson must:

- 7.4.1 Ensure that the minutes of the previous meeting is adopted and seconded by the Committee Members.
- 7.4.2 Request members to declare any personal or other interest in respect of the agenda before them and indicate whether they have been approached by any party concerned prior to the meeting. Recusals by members, if any should be minute accordingly.
- 7.4.3 Maintain order during the meeting.
- 7.4.4 Refer any alleged contravention of the code of conduct by members at the meetings to the Delegated Authority.
- 7.4.5 Ensure that the meetings are conducted in accordance with these rules.
- ~~7.4.6 Ensure that any person refusing to comply with his / her ruling leaves the venue immediately and, in case of members, reports these instances to the Director Planning and Economic Development.~~
- 7.4.7 Ensure that when members go on site inspections they are representing the Municipality and should always act in accordance with the Code of Conduct.

7.5. Oral/ electronic presentation

- 7.5.1 Should an applicant wish to present an oral / verbal / visual presentation to the Committee, they are to put their request in writing to the Committee Officer at least seven (7) days prior to that meeting so that they can be allocated a time slot.
- 7.5.2 The purpose of an oral presentation is to allow the applicant / consultant an opportunity to present the application to the members of the committee and provide accuracy or merit on the documentation / plans before the committee and also to elaborate on relevant issues which committee members may have. The applicant(s) must not be present during the deliberations of the Committee.
- 7.5.3 The applicant must provide at least 1 set of hard copies documentation and also electronic document to the Committee Officer on the closing date for submission ten (10) days prior to next meeting.
- 7.5.4 The Committee Officer will electronically distribute the electronic document to the Committee members in order that the Committee members may have time to consider the matter in advance.
- 7.5.5 The Chairperson may limit the oral presentation to specified matters relating to an application.

7.5.6 As a general guide, the applicant / consultant, must be permitted reasonable time to make their presentation.

~~7.5.7 Notwithstanding Rule 10.6 above, the allocated time may be increased at the discretion of the Chairperson, if the circumstances of the application warrant this.~~

7.5.8 After the introduction of the application by the Committee Officer, the order of speakers will, subject to the Chairperson's discretion be as follow:

7.5.8.1 The applicant or consultant who requested the presentation will address the Committee; whereafter

7.5.8.2 The Chairperson will give members of the committee an opportunity to ask the applicant relevant question of clarification.

7.5.8.3 No cross examination of any party is permitted.

7.6. Recommendations and Voting:

7.6.1 All recommendation must be taken by the supporting vote agreed upon by the majority of members present at the meeting.

7.6.2 If the Chairperson ask members whether they agree with the recommendation/s on the matter before the Committee, and such recommendation/s are opposed by any members present, a decision must be taken by show of hands by approving an application in (1) whole or (2) in part, or (3) refuse it. Should there be no opposition, it must be recorded in the minutes that the decision was unanimous.

7.7. Minutes

The Committee Secretary must ensure that all proceedings of the Stellenbosch Municipality Conservation Advisory Committee are to be recorded during the meeting. All recommendations, including reasons, must be recorded in the minutes.

Every member of the Committee, as well as any other person attended a meeting, must sign the attendance register, and the Committee Officer must ensure that a record is made in the minutes of the names of those members who:

- (a) Are absent with leave having been granted by the Chairperson;
- (b) In the case of the Chairperson, absent with leave must be granted by the Senior Manager: Development Planning;
- (c) Any leave that has not been authorised must be recorded;
- (d) Arrived after the meeting has started (time of arrival must be recorded);
- (e) Leave the meeting prior to the conclusion thereof (time and reason for departure must be recorded)
- (f) The correctness of the minutes must, after the meeting, be signed off by the Chairperson after circulation to the members present, and thereafter be made available within one week (seven working days) following a meeting;
- (g) A copy of the confirmed minutes must be included in the Agenda of the next meeting of the Stellenbosch Municipality Conservation Advisory Committee for information and record purposes.

7.7.3	REPORT ON THE PREPARATION OF A KLAPMUTS DEVELOPMENT CONCEPT PLAN
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Collaborator No: 708320
IDP KPA Ref No: Valley of Opportunity
Meeting Date: 15 June 2021

1. SUBJECT: REPORT ON THE PREPARATION OF A KLAPMUTS DEVELOPMENT CONCEPT PLAN

2. PURPOSE

To inform the Mayoral Committee of the progress with the planning related to the development of Concept Plans for Klapmuts.

3. DELEGATED AUTHORITY

Executive Mayoral Committee

4. EXECUTIVE SUMMARY (D1710)

The departmental SDBIB reference number D1710 requires of the Director Planning and Economic Development to submit a "Klapmuts Development Concept Plan" to the MayCo by the end of June 2021.

This target is in effect obsolete as a Klapmuts Concept Plan was approved as part of the Municipal Spatial Development Framework (MSDF) which was approved by Council in 2019 and promulgated in January 2020. However, there is currently an inter-governmental initiative around the development of Klapmuts (Stellenbosch - Drakenstein - WCG via DEA&DP - and other affected government departments). As such, this target for a revised plan has been proposed to be shifted to 30 June 2021 when the department can report back on the above initiative as well as progress with the implementation of the strategies contained in the MSDF.

Klapmuts was identified in the approved MSDF as a potentially significant centre for economic activity and residence within the metropolitan region and Stellenbosch Municipality (as identified in the Greater Cape Metro Regional Spatial Implementation Framework, May 2017 (GCM RSIF).

The (GCM RSIF) contains very specific policy directives related to Klapmuts, aimed at addressing pressing sub-regional and local space economy issues.

Key policy objectives include:

- Using infrastructure assets (e.g., key movement routes) as "drivers" of economic development and job creation.
- Recognition that existing infrastructure in the area (i.e., N1, R101, R44 and the Paarl-Bellville railway line and station) dictate the location of certain transport, modal change or break-of bulk land uses.
- Recognition of the Klapmuts area as a significant new regional economic node within metropolitan area and spatial target for developing a "consolidated platform for export of processed agri-food products (e.g., inland packaging and containerisation port)" and "an inter-municipal growth management priority".

- The consolidation of and support for existing and emerging regional economic nodes as they offer the best prospects to generate jobs and stimulate innovation.
- The clustering of economic infrastructure and facilities along public transport routes.
- Maintaining valuable agricultural and nature assets.
- Providing work opportunity in proximity to living areas.

Significant progress has been made in planning for an “Innovation Precinct” or “Smart City” district west of, and adjacent to Klapmuts south. This includes a land agreement with the University of Stellenbosch to possibly establish university related activities in this area. The urban edge has been adjusted in recognition of the opportunity associated with this initiative. Various application for the development of the “Smart City” were submitted which applications are presently being dealt with.

The MSDF remarked that, given that management of Klapmuts is split between Drakenstein Municipality and Stellenbosch Municipality (respectively responsible for the area north and south of the N1), special arrangements will be required to ensure that the settlement develops responsibly, in a manner which ensures thoughtful prioritization, infrastructure investment, and opportunity for a range of income groups.

The Western Cape Government: Department of Environmental Affairs and Development Planning (“DEA&DP”) agreed to play a facilitatory/coordinating role in considering joint planning between Stellenbosch-, Drakenstein Municipality and the City of Cape Town. Subsequent to a meeting held in February 2021 it was proposed to establish an Inter-Governmental Working Group tasked with ensuring the joint planning and development of the Klapmuts Node. The formation of this Working Group is in part a response to the Klapmuts node being identified as a “hotspot” in the Greater Cape Metro Regional Spatial Implementation Framework (GCM RSIF), requiring inter-governmental planning and management.

DEA&DP has provided a draft document, attached as **APPENDIX 2** to this report, to both Municipalities for consideration. Each municipality can use this document as the starting point to approach the individual Municipal leadership to obtain buy-in to this structure and process with a specific view to receiving the necessary mandates to pursue a formal working group.

To move forward with this proposal, it is recommended that the leadership of the Stellenbosch-, Drakenstein Municipality, the Head of Department and Minister of Environmental Affairs and Development Planning:

1. Support the establishment of an Inter-Governmental Working Group tasked with ensuring the joint planning and development of the Klapmuts Node.
2. Nominate senior, relevant employees to serve on such a structure; and
3. Mandate these representatives to engage with other stakeholders, including the private sector, when needed.

Once established, it is recommended that the Working Group invite relevant stakeholders as and when needed; including *inter alia* the City of Cape Town, the South African National Roads Agency, the Western Cape Government: Department of Transport & Public Works (“DT&PW”); etc.

5. RECOMMENDATIONS

- (a) that MAYCO takes note that the Figure 30: Klapmuts Plan as contained within the Stellenbosch Municipality Spatial Development Framework, 2019, copy attached as **Appendix 1** of the report, is the adopted Concept Plan for Klapmuts;
- (b) that MAYCO further supports the proposal to establish an Inter-governmental Working Group tasked with ensuring the joint planning and development of the Klapmuts node, copy of draft proposal attached as **Appendix 2**; and
- (c) that MAYCO supports that the Department: Development Planning (Directorate: Planning & Economic Development) be the lead and coordinating department for Council as part of the Inter-Governmental Working Group;

6. DISCUSSION / CONTENTS**6.1 General**

Located as it is on the N1 transport corridor – which carries 93% of metropolitan bound freight traffic – Klapmuts is a potentially significant centre for economic activity and residence within the metropolitan region and SM (as identified in the GCM RSIF). To date, the settlement is characterized by residential use and limited commercial and work-related activity. Public sector resource constraints have prevented the infrastructure investment required to enable and unlock the full potential of the area for private sector economic development as envisaged in the GCM RSIF. The decision by Distell to relocate to and consolidate many of its operations in Klapmuts is critical to commence more balanced development of the settlement. Distell proposes to develop a beverage production, bottling, warehousing, and distribution facility on Paarl Farm 736/RE, located north of the N1, consolidating certain existing cellars, processing plants, and distribution centres in the Greater Cape Town area.

Significant progress has been made in planning for an “Innovation Precinct” or “Smart City” district west of but contiguous to Klapmuts south. This includes a land agreement with the University of Stellenbosch to possibly establish university related activities in this area. The urban edge has been adjusted in recognition of the opportunity associated with this initiative.

Several issues require specific care in managing the development of Klapmuts over the short to medium term. The first is speculative applications for land use change on the back of the proposed Distell development. Already, a draft local plan prepared by DM has indicated very extensive development east of Farm 736/RE. Distell will not fund the extensive infrastructure required to unlock development here, and arguably, land use change to the east of Farm 736/RE could detract from the opportunity inherent in Farm 736/RE.

The second is the linkages between Klapmuts north and south, specifically along Groenfontein Road and a possible NMT crossing over the N1 linking residential areas south of the N1 directly with Farm 736/RE. Without these linkages, residents to the south of the N1 will not be able to benefit from the opportunity enabled north of the N1.

The third is speculative higher income residential development in the Klapmuts area, based on the area's regional vehicular accessibility. Higher income development is not a problem in and of itself, but ideally it should not be in the form of low-density gated communities.

Most importantly, the N1 corridor – including adjacent land also serviced by the old Main Road and railway – stretching from the CCT through Klapmuts towards Paarl, requires urgent joint planning. Much potential to generate economic opportunity exists here, but careful planning and decisions are required in relation to where to start, what areas to prioritise for development, and what to protect as nature and agriculture.

These issues have been addressed in the Concept Plan for Klapmuts which is included in the approved MSDF. Figure 1 below illustrates the concept plan as included in the MSDF.

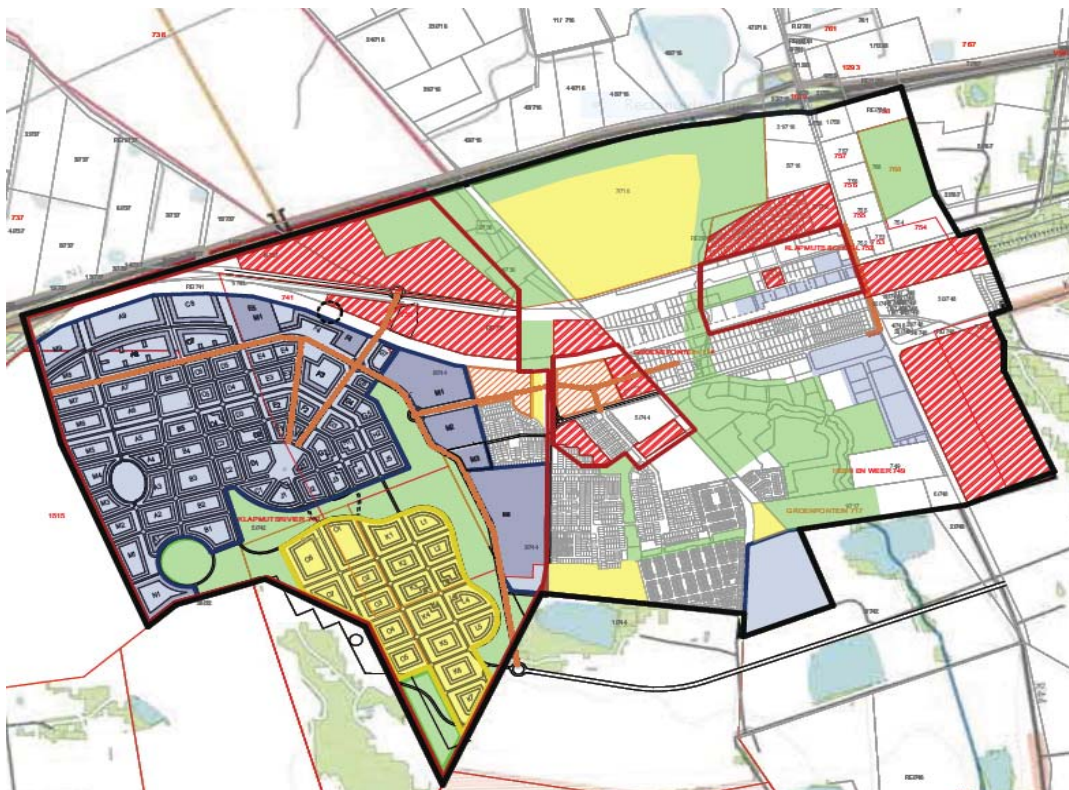


Figure 1. Klapmuts Concept Plan

The Concept plan illustrates the location and extent of the “Smart City” to the west of the settlement and illustrates the necessity of a potential link with Klapmuts North of the N1. This link will partially be constructed through the development of “Stellenbosch Bridge.”

6.2 Stellenbosch Bridge Concept Plan

The concept plan for the Stellenbosch Bridge development has been refined since the approval of the MSDF. Stellenbosch Bridge is a visionary private sector-led project that combines the leading-edge concepts of innovation district and smart city to create a knowledge economy-based focus area within a mixed-use, environmentally conscious, people-centred development. The intent is to create a vibrant live-work-play-innovate development. To achieve this requires a strong urban design concept, a clear development framework and active management within which investment, economic development and community can flourish.

DEVELOPMENT COMPONENTS AND ELEMENTS OF STELLENBOSCH BRIDGE

Stellenbosch Bridge is made up of development and open space precincts. The four development precincts are integrated through a central open space system. The main components together with planning and design elements of this development are:

- o Innovation Precinct
- o Research and development (R&D)
- o Incubator
- o Smart City
- o High-Density Residential
- o Lights Industrial
- o Data Centre
- o Integrated Open Space System
- o Road System
- o Agricultural Remainder
- o Conservation
- o Mixed-use Environment
- o Environmentally Conscious Development
- o People-Centred & Quality of Place

DEVELOPMENT FRAMEWORK PLAN

The Development Framework Plan sets out the basic physical structure for the development of the site in accordance with the urban design concept. The draft Framework plan is illustrated in Figure 2 below.

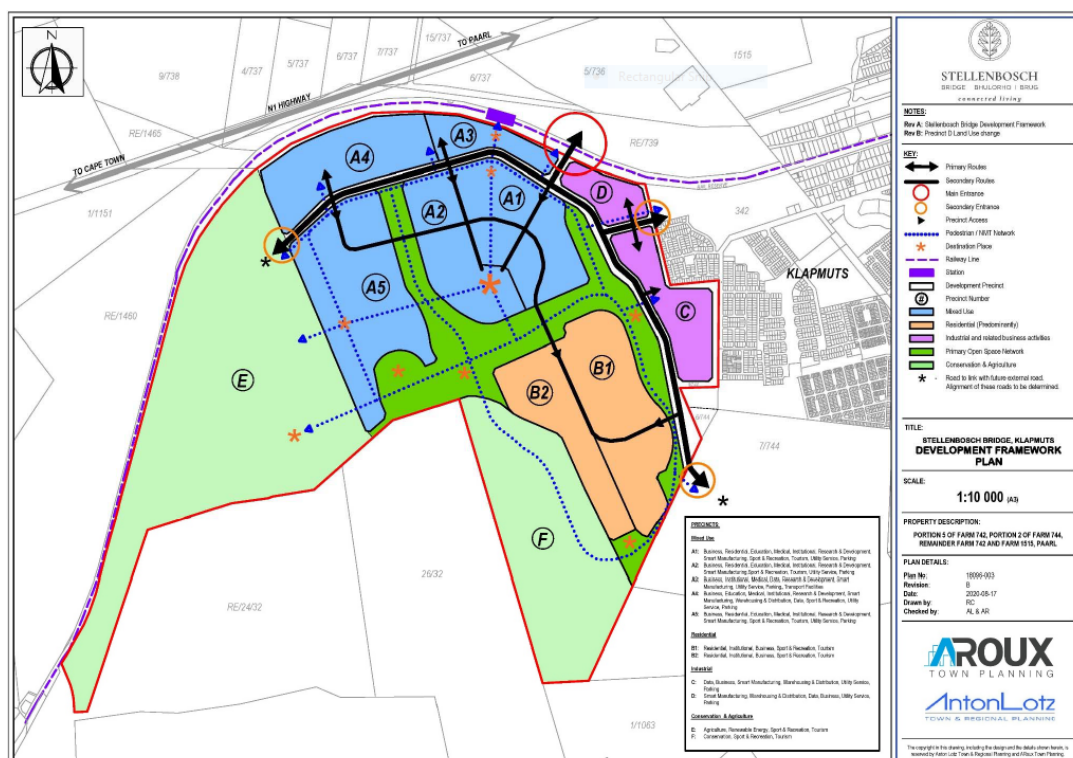


Figure 2. Draft Development Framework for Klapmuts Bridge

The following structuring elements will guide its implementation:

Access Points

The development will be accessed by means of four new vehicular/pedestrian accesses from the R101 (Old Paarl Road), R44 (Stellenbosch Road), DR 1090 (Elsenburg Road) and Merchant Street as well as a new railway station:

- o The primary access is a northerly link to the R101 via an underpass under the railway line. This access will link the development to the N1 via the existing R44 Interchange as well as a new interchange at the Groenfontein Road location.
- o Three secondary accesses will be phased (the regional road network plan will determine the priority and timing):
 - Merchant Street link: This access will have an integration function between the development and Klapmuts, providing for lower-order distribution only.
 - R44 Access: A road link to the R44 will provide access from the south-east.
 - DR 1090 Access: A road link to the Elsenburg Road will provide access from the west.
- o Stellenbosch Bridge Station – A new station serving the development is proposed between the Klapmuts and Muldersvlei Stations.

Movement Routes

Three levels of movement form part of the framework:

- o The primary movement system consists of the main north-south route (R101 to R44) as well as the western (Elsenburg Road) and eastern (Merchant Street) link roads that integrate the four road access points and links the development to the broader area.
- o The secondary movement system is made up of a network of private roads and accesses that provides internal access and circulation to the precincts.
- o The third level of movement involves the Pedestrian/NMT system which will be catered for along the primary and secondary routes as well as the open space system which will ensure a walkable environment and links the development to the broader area.

Open Space System

The open space system consists of the following:

- o Primary Open Space System - the linear network of green spaces incorporating the existing tree lines, tree clumps and enhanced water features within the urban edge. The experience of this space will be enhanced through landscaping and the system will be linked into a wider green network including a link to Klapmutskop.
- o Urban Space System - the road spaces and public squares internal to the development precincts will be designed to give pedestrians equal importance of movement and to facilitate social interaction and economic opportunity.
- o Destination Places - the central square, public squares, and open space destination places such as water features, eventing facilities and the labyrinth. These places form focal points in the open space system and facilitate use, pedestrian movement, economic opportunity, and social interaction.

Precincts and Land Use

The site is divided into four development precincts and two open space precincts. Each precinct has been allocated a primary use category being 1) Innovation, 2) Residential, 3) Industrial, 4) Data Centre, 5) Agricultural Research or 6) Conservation and a suite of land use allocations as based on the design concept:

Precinct A (Innovation): The innovation precinct integrates all aspects of a live-work-play-innovate environment around a network of public spaces.

Precinct B (Residential): The high-density residential precinct incorporates complimentary social, and business uses and multi-functional open spaces areas to create a high-quality living environment.

Precinct C (Industrial): The green and smart industrial precinct. The proposed zoning is Industrial Zone: Data Centre; Business; Smart Manufacturing; Warehousing, Logistics and Distribution; Utility Service; Parking; Private Open Space; Private Road.

Precinct D (Data Centre): The precinct accommodating the main data centre. The proposed zoning is Industrial Zone: Data Centre; Smart Manufacturing; Business; Utility Service; Parking; Private Open Space; Private Road.

Precinct E (Agricultural Research): The land area west of the urban edge. The zoning is Agriculture and Rural Zone: Agricultural Research; Renewable Energy; Sports and Recreation; Tourism.

Precinct F (Conservation): The natural vegetation area south of the development area. The zoning is Agriculture and Rural Zone: Conservation; sports and Recreation; Tourism; Environmental Education.

Initiatives such as the Stellenbosch Bridge development will have a significant socio-economic impact on Klapmuts, the region and the Western Cape. It will be a major catalyst in achieving the Stellenbosch Municipality's vision to "be a valley of opportunity and innovation" and to attract investment, stimulate economic growth and create employment. By becoming a world-renowned innovation and smart city development it will stimulate growth and job-creation in an array of sectors. The innovation precinct will initially lead with the creation of highly skilled jobs, but as the mixed-use development grows, the jobs in other fields will stimulate economic prosperity and social well-being of the Klapmuts community. The physical and socio-economic integration of the development with the existing town will be central to its success.

The impact of initial construction costs for the full project on the Western Cape and Stellenbosch Municipal economy is estimated at R59 billion and R8,8 billion, respectively. Over the 15 – 20-year implementation period the employment opportunities during construction ranges between 1 600 and 11 100 per annum, whilst the operational job opportunities will start at 1 850 jobs and increase to 23 700 jobs on implementation of the full project.

As the development will take 15 – 20 years to implement it is important to recognise that any such planning must be flexible to respond to ever changing circumstance that influence a development of this nature. The envisaged development of Klapmuts North and particularly the Distell properties will also have implications for the development hence the importance of joint planning between Stellenbosch municipality, Drakenstein municipality and the City of Cape Town.

6.3 Financial Implications

There are no financial implications to form part of the Inter-Governmental Working Group, and any subsequent contributions for the enablement of possible catalytic projects will be referred to Council or its delegated authority prior to undertaking such initiatives.

6.4 Legal Implications

There are no legal implications.

6.5 Risk Implications

There are no risk implications in respect of this report.

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	28 May 2021

APPENDIX 1

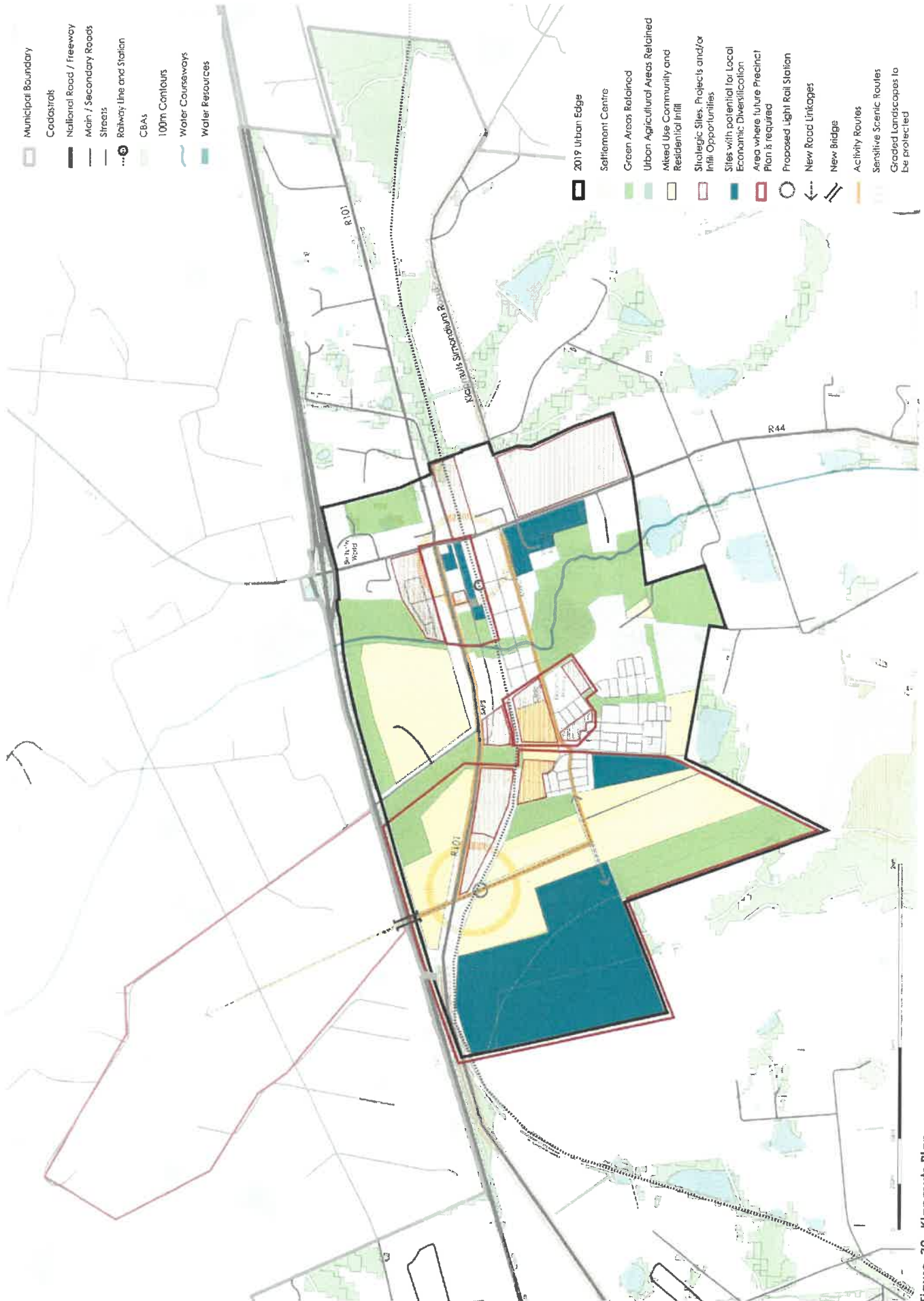


Figure 30. Klapmuts Plan

APPENDIX 2

DRAFT Distributed to Municipal Officials for comment**Proposal to establish an Inter-Governmental Working Group tasked with ensuring the joint planning and development of the Klapmuts Node****1. Purpose**

The purpose of this report is to propose the establishment of an inter-governmental Working Group between Drakenstein Municipality, Stellenbosch Municipality, the City of Cape Town and the Department of Environmental Affairs and Development Planning, Western Cape Government, to undertake the joint planning and development of the Klapmuts Node (both North and South of the N1). The formation of this Working Group is in part a response to the Klapmuts node being identified as a “hotspot” in the Greater Cape Metro Regional Spatial Implementation Framework (GCM RSIF), requiring inter-governmental planning and management.

2. Motivation

Klapmuts is a significant growth node within the Greater Cape Town functional region. Its regional significance is evidenced in the growing private sector development interest in Klapmuts, both north and south of the N1. Klapmuts presents an opportunity for the Stellenbosch and Drakenstein municipalities, supported by the Western Cape Government, to work together to realize regionally well-located, much needed industrial and residential development in a manner that achieves multiple sustainable development objectives shared by the municipalities and the Western Cape Government; namely:

- i. Economic recovery through job creation and increased private sector investment, supported by streamlined and coordinated permissions processes.
- ii. Integrated settlements where people across income groups can live and work within the same settlement in a manner that does not perpetuate the separation of people and activities, avoids creating long and expensive travel times and associated social and environmental costs, burdening one municipality more than the other.
- iii. Timely planning, financing and implementation of infrastructure to ensure development is able to happen without delay and the costs of infrastructure are equitably shared between the respective municipalities and the developers, recognizing that infrastructure requirements are met across municipal boundaries.

Achieving these objectives relies on sustained joint planning and implementation effort between the municipalities and the provincial government. The Western Cape Government is well placed to play a convening and facilitation role, given its leadership role of the Greater Cape Metro Regional Spatial Implementation Framework Inter-Governmental Committee. In addition, the Constitution requires of the Provincial Sphere of government to support municipalities where required. The facilitation of this intergovernmental Working Group is seen as part of this support function.

3. Proposed aims of the Inter-Governmental Working Group

It is proposed that the inter-governmental working group is tasked with the following:

- i. **Develop a joint vision for the Klapmuts node.** Drakenstein and Stellenbosch each have a vision for Klapmuts and the City of Cape Town has a position on what should happen along the N1, at this significant entry point into the city. There is however no joint vision. This joint vision is critical to ensure that all roleplayers are working towards the same outcome rather than potentially working in competition with one another. A joint vision will benefit not only the three municipalities involved, but give clear signals to landowners and existing and prospective investors in the Klapmuts area.
- ii. **Develop a shared understanding, agreement and quantification of the long-term development potential of the Klapmuts node, north and south of the N1,** the distribution of land uses including a fair distribution of affordable housing opportunities alongside market-driven housing and employment generating uses.
- iii. **Determine infrastructure requirements for the sub-regional urban node of Klapmuts.** This includes identifying inter-municipal dependencies and how to share infrastructure in a way that is equitable and efficient. Funding opportunities could also be identified. Service level agreements may be proposed in those instances where it would be most appropriate to share infrastructure at an inter-municipal level.
- iv. **The preparation of a programme for the phasing of the development of Klapmuts to coordinate development and infrastructure sequencing.**
- v. **Provide a united, inter-municipal voice to direct growth pressures to locations which will not undermine high value agricultural land.** In part the Klapmuts node is abutted by high value agricultural land, which needs to be protected from development pressures. If the north and south of Klapmuts are managed as one rather than two competing settlements, any development pressures can be channeled to those areas most suitable for the Klapmuts node and region as a whole.
- vi. **Through joint planning, ensure that the Klapmuts node becomes a high performing, integrated and inclusive node.** Together the organisations represented on the Working Group will be in a better position to secure potential funding and leverage resources on a coordinated basis.

4. Background

4.1 Inter-Governmental Engagements to Date

- During the development of the Greater Cape Metro Regional Spatial Implementation Framework (GCM RSIF), municipalities identified various urban growth 'hotspots' on their boundaries, which they prioritized for inter-municipal planning and management interventions. In the case of Klapmuts, both Stellenbosch and Drakenstein Municipalities identified it as a prospective sub-regional urban node along the N1 with residential and industrial development opportunities identified north and south of the N1, and with additional potential to serve as a regional freight logistics hub. While the importance of developing Klapmuts into a sub-regional node was agreed, there are a number of planning and infrastructure requirements that have been flagged for consideration, with the recognition that development on either side of the N1 is likely to affect and impact on a multitude of stakeholders and certainly both the Drakenstein and Stellenbosch municipalities
- The WCG has received numerous requests over recent years for multi-sectoral and inter-municipal engagements regarding Klapmuts and surrounds. In recent history, three such engagements have taken place, with the primary focus of these meetings being that of joint planning and information sharing on the Klapmuts node. Little came of these meetings.
- There is a need to in place a formalized, goal-driven institutional coordinating structure to address the planning and development of Klapmuts on a sustained basis with clear, time-bound deliverables.

4.2 Strategic planning in relation to Klapmuts

The **Drakenstein Municipality** plans for the Klapmuts area both in its Municipal Spatial Development Framework (MSDF) as well as through a dedicated Klapmuts Local Spatial Development Framework (LSDF). The Drakenstein MSDF identifies Klapmuts North as a secondary urban node as well as a specific Focus Area within the MSDF. The MSDF supports its growth and evolution into a sub-regional urban node and identifies it as a secondary regional service center and a future (2040) regional service node. Klapmuts North is predominantly characterized by agricultural land, small-holdings and large tracts of undeveloped land. Distell has made the decision to consolidate its operations, and relocate to Farm 736/RE, which is located north of the N1. The total area of the farm is approximately 200ha, but the Distell operations would only comprise approximately 53ha of the site. Klapmuts North does not have bulk infrastructure services and is partly reliant on spare capacity in the southern portion of Klapmuts proposed development will require substantial infrastructure investment from the Municipality, in partnership with the private sector.

The Drakenstein MSDF recognises that future growth and development of Klapmuts North is intrinsically linked to Klapmuts South. It specifically states that the area should be viewed as one functional area that will develop into an important regional node in the medium to long-term. It states that the functional area should be carefully managed over the short to medium-term, especially with regards to land use

applications. This entails the proper management of speculative higher-income, residential land use development applications in the form of low-density residential developments, due to the area's regional vehicular accessibility. It is important to explore the proposed linkages between Klapmuts North and Klapmuts South, including non-motorised transport linkages, in order to ensure that the two areas are not divided from one another and to ensure physical and socio-economic integration between north and south. Highlighting the need for cooperative planning, the MSDF recommends that joint planning initiatives between the City of Cape Town, and the Stellenbosch and Drakenstein Municipalities, as well as other stakeholders, are required for the N1 Corridor. The potential for future economic development is regarded as high for this corridor but will require careful joint planning between the different stakeholders.

The 2019 Klapmuts North LSDF provides a detailed overview of the growth pressures currently experienced in the northern section of Klapmuts. It also identifies the severe infrastructure deficits that will constrain development in the short to medium term in the Klapmuts North region. It reiterates the need for Klapmuts to be viewed and planned for as one consolidated area.

The **Stellenbosch Municipality** also addresses the Klapmuts region through its MSDF and through a LSDF for the southern portion of Klapmuts. The MSDF identifies the potential of Klapmuts to accommodate large scale enterprises dependent on regional networks. The MSDF notes that the relocation of large industrial land users from Stellenbosch town (to Klapmuts) like the planned move of Distell to Klapmuts North, presents very significant opportunities for the future development of Stellenbosch and the town center, Klapmuts itself, and the broader regional space economy. Noting this, current and proposed development planning proposals have not fully addressed the economic generative opportunity associated with the Klapmuts area, its relationship with settlement opportunity for people close to work, and the associated opportunity to restructure Stellenbosch town.

Unlike the north of Klapmuts, infrastructure capacity in Klapmuts is sufficient to allow for the coordinated development as appropriate bulk service networks exist which could be expanded upon. There also appears to be large infrastructure projects earmarked for the Klapmuts South area. The Stellenbosch MSDF also actively supports the development of Klapmuts North for industries and employment generating enterprises related to manufacturing, logistics and warehousing while further supporting the planning of an "Innovation Precinct" or "Smart City" district west of, but contiguous to, Klapmuts south. Despite the potential of the area, the MSDF does take note of the fact that there are clear issues arising in the Klapmuts area and identifies the need for urgent joint planning to properly unlock the economic potential of the region and maintain the integrity of the surrounding natural and agricultural environment.

Another key stakeholder in this area is the City of Cape Town. While the City does not directly link to the Klapmuts area in terms of land, there are direct economic and development linkages between the City of Cape Town and its development along the N1 corridor and what takes place within the Klapmuts region. Specifically, the MSDF recognises the significance of the Klapmuts region and the need for joint

planning due to its proximity to the N1 Corridor, which the City identifies as a structuring corridor. In its spatial planning for these corridors, the City notes that these corridors are typified by intensified and diversified land use. They reflect targeted, prioritised areas earmarked for the largest spectrum of land use mix associated with the highest density of population and employment. They are inclusive of Integration Zones and link diverse economic nodes - ranging from a mature, developing and emerging nature and at a hierarchy of function and services levels (metropolitan, sub-metropolitan).

In summary, there is a shared recognition both of the importance of this Klapmuts node but also for the need to jointly plan towards a shared vision for the area that will benefit all the stakeholders in this region.

Recommendation

In order to move forward with this proposal, it is recommended that the leadership of the Drakenstein, Municipality/ Stellenbosch Municipality/ the Head of Department and Minister of Environmental Affairs and Development Planning:

- i. support the establishment of an Inter-Governmental Working Group tasked with ensuring the joint planning and development of the Klapmuts Node as set out in this report;
- ii. nominate senior, relevant employees to serve on such a structure; and
- iii. mandate these representatives to engage with other stakeholders, including the private sector, when needed.

Once established, it is recommended that the Working Group invite relevant stakeholders as and when needed; including *inter alia* the City of Cape Town, the South African National Roads Agency, the Western Cape Department of Transport & Public Works; etc.

7.8	RURAL MANAGEMENT: (PC: CLLR S PETERS)
7.8.1	COMPILATION OF AN OPERATIONAL COMMITTEE IN ACCORDANCE WITH THE STELLENBOSCH MUNICIPALITY POLICY FOR THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND

Collaborator No: 707723
 IDP KPA Ref No: Valley of opportunity
 Meeting Date: 15 June 2021

1. SUBJECT: COMPILATION OF AN OPERATIONAL COMMITTEE IN ACCORDANCE WITH THE STELLENBOSCH MUNICIPALITY POLICY FOR THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND

2. PURPOSE

To obtain the Council's approval to establish an Operational Committee Clause 4.6.2 of the Stellenbosch Municipality: Policy for Management of Municipal Agricultural Land.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Stellenbosch Municipality: Policy for the Management of Municipal Agricultural Land, as gazetted within the Provincial Gazette dated 27 March 2017, requires the establishment of an Operational Committee which have varied responsibilities, that include, but are not limited to land administration and information, etc.

The policy further recommends that the said Committee comprise of the following functions within Council:

- Property Management
- Local Economic Development
- Legal Services
- Environmental Management

5. RECOMMENDATIONS

- (a) that Council dissolves any previous established Operational Committee in terms of the said Policy;
- (b) that Council delegates the Municipal Manager, in consultation with the Directors, to identify and mandate representatives and alternates to serve on the Operational Committee;
- (c) that Council delegates the Municipal Manager to reconstitute the Operational Committee, at any time, should the need arise, in consultation with the relevant Directors; and
- (d) that Council approves that the Operational Committee comprises of the representatives from at least the following Directorates:
 - Corporate Services (Property Management & Legal Services)
 - Planning & Economic Development (Development Planning)
 - Community and Safety Services (Environmental Management & Safety and Security)

6. DISCUSSION / CONTENTS

6.1 Background

The Stellenbosch Municipality: Policy for Management of Municipal Agricultural Land was gazetted in the Province of the Western Cape Provincial Gazette Extraordinary 7749 dated 27 March 2017, and in accordance with Clause 4.6.2 of the said policy the Compilation of an Operational Committee was enquired. The clause reads as follows:

"Guided by the Policy principles as stated earlier, the responsibilities of the Operational Committee are varied and include providing land administration and information... It is recommended that the following departments form part of the Operational Committee:

- *Property Management*
- *Local Economic Development*
- *Legal Services*
- *Environmental Management*

The functions of this Committee will be to:

- *Facilitate partnerships between established and emerging farmers, industry and government to facilitate investment, sustainability and efficiency of farming enterprises.*
- *Coordinate local support services.*
- *Receive and review land applications and / or proposals in terms of principles and specified criteria as set out in this policy and the applicable legislation.*
- *Maintain a database or register of land inventory and conduct a land audit periodically."*

Two (2) portions of municipal agricultural land were advertised on 26 November 2020 in the Eikestadnuus in line with Council's Policy for the Management of Municipal Agricultural Land, and applications closed 21 December 2020. Twenty (20) applications were received for the portions, and these applications must be considered by the Operational Committee in order to make recommendations to relevant delegated authority.

These two (2) portions area as follows:

	Property Description	Size	Water
1	502 BH 9 & 10	5	5
2	502 BH 23 & 24	5	5

The Section: Economic Development & Tourism is currently in the process of screening a further thirteen (13) municipal agricultural land portions, which are currently vacant and not leased.

The Section is however in the processes to undertaking feasibility studies on these portions in order to ensure that the cultivation of these land parcels is complaint with the relevant legislation (NEMA, NHRA, Land Use Management, WULA, etc.), as it is currently 'virgin land', i.e. no farming of cultivation has occurred on the land within the last 10 years.

These thirteen (13) municipal agricultural land portions are listed below:

	Property Description	Size	Water
1	502 BH 17 & 18	5	TBC
2	502 M	5.1	3
3	502 W	9	3
4	279 BN	25.3	0
5	165/1A	10.5	0
6	502 BL	12	0
7	502 BM	5.35	1
8	768	7.21	0
9	502 AU	8.9	0
10	368/2	20	
11	377 A	TBC	TBC
12	369/C	3,5	No Water
13	527A	2	1
	Total	113.86	8

6.2 Financial Implications

No financial implications as the Committee will comprise of internal staff members of Council.

6.3 Legal Implications

The Compilation of the Operational Committee is in accordance to the Stellenbosch Municipality: Policy for Management of Agricultural Land, 2017, which was gazetted on 27 March 2017.

6.4 Previous / Relevant Council Resolutions:

38th Council Meeting dated 28 October 2020 under Item 11.8.1 resolved as follows:

- (a) That cognizance be taken of the farming activities as outlined in paragraph 6.3 of this report;
- (b) That an investigation be launched in respect of the land not previously allocated, as outlined in paragraph 6.4 of this report, for the use of livestock farming, specifically for the purposes of accommodating piggeries and bee farming, and that a report with recommendations in respect of such an investigation be tabled to Council;
- (c) That note be taken of the additional agricultural land parcels referred to in paragraph 6.5 of this report, and that the further investigation by the Directorate: Planning & Economic Development be supported to inform Council of the possible and best use of such agricultural land for the purpose of allocating such land to emerging farmers;
- (d) That financial support mechanisms be investigated by the Directorate: Planning & Economic Development, in consultation with the Western Cape Government: Department of Agriculture (Farmers Support Programme) and the National

Department of Rural Development and Land Reform, to support emerging farmers with potential infrastructure- and operational shortcomings;

- (e) That the Directorate: Planning & Economic Development submits the investigation report referred to in recommendation (d) above to Council for noting purposes, and to distribute the list of funding organisations and / or mechanisms to emerging farmers to assist with the compilation of their business plans; and
- (f) That the Department: Development Planning & Economic Development commences with research to provide proposals to enable emerging farmers with the option for the placement of accommodation units for security and storage purposes, which include ablution facilities on the individual land parcels which were allocated.

6.5 Risk Implications

There exists no risk in respect of Council delegated the Compilation of the said Committee to the Municipal Manager.

RECOMMENDATIONS FROM THE RURAL MANAGEMENT COMMITTEE TO THE EXECUTIVE MAYOR: 2021-06-07: ITEM 5.1.1

- (a) that Council dissolves any previous established Operational Committee in terms of the said Policy;
- (b) that Council delegates the Municipal Manager, in consultation with the Directors, to identify and mandate representatives and alternates to serve on the Operational Committee;
- (c) that Council delegates the Municipal Manager to reconstitute the Operational Committee, at any time, should the need arise, in consultation with the relevant Directors; and
- (d) that Council approves that the Operational Committee comprises of the representatives from at least the following Directorates:
 - Corporate Services (Property Management & Legal Services)
 - Planning & Economic Development (Development Planning)
 - Community and Safety Services (Environmental Management & Safety and Security)

APPENDIX 1



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

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STELLENBOSCH
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**THE STELLENBOSCH MUNICIPALITY: POLICY FOR
MANAGEMENT OF MUNICIPAL AGRICULTURAL
LAND, PUBLISHED UNDER NOTICE 54490 IN
PROVINCIAL GAZETTE 7744 ON 13 MARCH 2017 IS
HEREBY WITHDRAWN, AS IT WAS PUBLISHED
ERRONEOUSLY**

**POLICY FOR THE MANAGEMENT OF
MUNICIPAL AGRICULTURAL LAND**

STELLENBOSCH MUNICIPALITY

2016

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DEFINITIONS

"acquire" in relation to land includes, but is not limited to acquisition by purchasing, expropriation, exchange, donation or leasing, or as a result of the conclusion of any form of land availability agreement, and 'acquisition' has a corresponding meaning;

"Agricultural Land" means all land not used zoned or developed for urban purposes.

"Asset" means a tangible resource capable of ownership;

"Basic municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health, safety or the environment;

"Capital assets" in terms of this policy, means land and other immovable capital assets which vests in the Municipality;

"Constitution" means the Constitution of the Republic of South Africa, Act 108 of 1996;

"Contract" means a deed of alienation under which land is sold against payment by the purchaser to, or to any person on behalf of the seller.

"Lease Agreement" meaning a written agreement specifying the rights and duties pertaining to the exclusive use of property for a continuous period of time (30} thirty calendar days or longer, and which sets forth the terms and conditions the use of the property an outright Sales Agreement.

"Council" means the Council of the Stellenbosch Municipality as envisaged in chapter 3 of the Municipal Structures Act (Act No. 117 of 1998);

"Disposal" in relation to a capital asset, includes-

- (a) The demolition, dismantling or destruction of the capital asset; or
- (b) Any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership;

"Exempted capital asset" means a capital asset which is exempted by section (14)(6) or section 90(6) of the MFMA, as more fully dealt with in Chapter 5 of the MATR t hat is, an asset that is needed for the provisions of basic municipal services.

"Fair market value" in relation to a capital asset, means the value at which a knowledgeable willing buyer and a knowledgeable willing seller would sell the capital asset in an arm's length transaction;

"Granting of rights to use, control or manage" means where the granting of such rights do not amount to the transfer or permanent disposal of an asset, for example when a right is acquired through a leasing, letting or hiring out arrangement;

"HDI - Historically Disadvantaged Individual" is defined as meaning: "a South African citizen who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993); and/or who is a female; and/or who has a disability, provided that a person who obtained South African citizenship on or after the coming into effect of the interim Constitution, is deemed not to be an HDI"

"Integrated Development Plan (IDP)" means the Integrated Development Plan of the Municipality as envisaged in section 25 of the Municipal Systems Act (Act No. 32 of 2000);

"LED Strategy" means the Local Economic Development Strategy of the Municipality;

"long term" means a period of longer than ten (10) years;

"local agenda 21" principles of sustainable development and environmental preservation;

"MATA" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA and published in the Government Gazette No 31346 of 22 August 2008.

"MFMA" means the Local Government Municipal Finance Management Act (Act No. 56 of 2003);

"Municipality" means the Stellenbosch Municipality as envisaged in chapter 1 of the Municipal Structures Act;

"Municipal Manager" means the Municipal Manager of the Municipality as envisaged in section 82 of the Municipal Structures Act;

"Supply Chain Management Policy" means the Supply Chain Management Policy of the Municipality as contemplated in chapter 11 of the MFMA and the Supply Chain Management Regulations (No. 27636 of 30 May 2005);

"Transfer" in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction. This Policy must be read with the Supply Chain Management Policy of the Stellenbosch Municipality and the Municipal Asset Transfer Regulations (R878 in GG No. 31346 of 22 August 2008) issued in terms of the MFMA.

ACRONYMS

CASP	Comprehensive Agricultural Support Programme
HDI	Historically Disadvantaged Individuals
IDP	Integrated Development Plan
LED	Local Economic Development
MATR	Municipal Asset Transfer Regulations
MFMA	Municipal Financial Management Act
NDP	National Development Plan
PACA	Participatory Appraisal of Competitive Advantage
SCM	Supply Chain Management
SDF	Spatial Development Framework

1 THE CURRENT SITUATION

1.1 Introduction

For all South Africans, irrespective of colour or creed, land is an emotive issue. Throughout our history one of the biggest bones of contention has been the right to ownership and use of land. Discriminatory practices in the past, a land reform programme that has not succeeded in transferring significant quantities of urban or rural land since 1994, a wide range of demographic pressures and the fact that most agricultural land is still in the hands of commercial, mostly white, farmers puts pressure on the country's socio-economic systems, and Stellenbosch municipal area is not immune to these pressures. History is replete with examples of what can happen when these pressures are not addressed.

Stellenbosch municipal area and its towns have a very colourful past whose history plays a particularly important role in giving the area the ambience and character which makes it one of the outstanding tourist attractions in South Africa.

For this reason, it is imperative that the Stellenbosch Municipality have a comprehensive, fair and sustainable policy and implementation strategy for agricultural land reform.

Although land reform is a national competence, the Municipality has a duty to assist with land reform initiatives, but even more importantly, because the Municipality is the largest owner of agricultural land it has a duty to formulate and implement land reform within the bounds of its own competencies and capacity. This is a challenging and formidable task given that the greater portion of this land is held under long term leases that do not do justice to the guiding principles of economic optimization of agricultural land and fair and equitable distribution of what should be available.

Farming in the Stellenbosch Municipal area is heavily skewed towards viticulture. There is of course a close link between wine farming, the beautiful landscape, consisting of both the cultivated grapevines and the natural fynbos, and the tourist experience that the town and its surrounds offer.

As important as wine farming is, however, it is equally important to maximise the potential of the scarce but high quality agricultural land to ensure that appropriate land is set aside for tourism, the retention and conservation of the historical treasures that lie within the borders of the Municipality, and conservation, as these are also integral components of the Stellenbosch experience. The economic development of the area depends on the sensible use of its land resources.

In managing its agricultural land portfolio, a policy for the management of municipal agricultural land based on the principles of sustainability, equality, efficiency, fairness and good governance is required. It is widely acknowledged that policies that facilitate access to land play a significant role in reducing poverty and income inequality. As Stellenbosch Municipality owns large tracts of high value agricultural land, it is evident that it should become involved in the process of land reform.

However, there is very little of this land available since approximately 80% is currently under long term lease agreements. Furthermore, in the absence of a clear policy framework, the process for accessing municipal agricultural land has been very cumbersome in the past.

For this reason, Stellenbosch Municipality, through its Local Economic Development and Property Management Departments has embarked on a process of developing a policy and implementation strategy for the management of municipal agricultural land based on sustainability principles as part of its contribution to sustainable development.

1.2 The historical context

Stellenbosch is arguably one of the most beautiful parts of the country and its climate is conducive to excellent agriculture production. The municipal area comprises of the towns of Stellenbosch, Franschhoek, Pniel, Klapmuts and some other smaller hamlets, and the rural hinterland between these settlements. Whilst its economy is primarily built on the financial and business services sectors, the area boasts a vibrant tourism industry. The Winelands are a major tourist draw card and are also well-known for the close linkages to the manufacturing and services sectors.

The area is also home to a vibrant education sector, including a leading world renowned university, and hosts a range of innovation industries, as well as the headquarters of major multinational and national companies.

The municipal area comprises 900 square kilometres with a population of 165,000 people. Some two thirds of agricultural production consists of wine grapes, followed by vegetables and eggs. Most of the arable land is used for the production of wine, and only a small proportion of the region's food is produced locally.

Whilst significant investments have been made in the farming sector, not all are related to productive uses of the land. This has led to fertile land being rendered unproductive, and this in turn has diminished employment opportunities for low skilled workers. The unemployment rate of 26% together with the steady rate of urbanisation adds to the pressure of the availability of jobs in the area.

Stellenbosch municipality is one of the municipalities in the country with the most municipal land under its control; however, due to the agriculture potential of farm land, most of the arable land has been leased to established farmers on long term lease contracts.

The capital investment required for developing and using the land required these long term leases to allow lessees the opportunity to redeem the large investments in water and other infrastructure.

To this end, 80% of the 1,300 ha of municipal land has been taken up by established farmers whilst another 10% is being farmed by new entrants (small farmers) in various widely spread out locations. All other available land is to be made available to be leased to HDI's.

Properties, especially agricultural land (commonage) provide an enormous opportunity for Council to achieve its strategic objectives. Therefore this policy provides for the implementation of a process of identifying agricultural land which is currently available as well as land under long term lease which is not being optimally used and which is aligned to the Spatial Development Framework, LED strategy, the IDP and the objects of local government as set out in the Constitution.

2 SCOPE AND PURPOSE OF THE POLICY

2.1 Scope of the policy

The sound management of the Municipality's agricultural land resources is crucial if it is to be conserved for future generations. The scope of this policy is to set out decision-making guidelines for the management of municipal agricultural land with due regard to the relevant national, provincial and local policy and legislative provisions that govern land ownership, access to land and land use. Furthermore, the aim of the policy is to provide for the core principles, mechanisms, processes and procedures that are necessary to enable the Municipality to manage and administer municipal agricultural land, of which Council is the custodian.

In this regard, the policy allows for social and sustainable economic development and encourages the involvement of individuals, communities and community organizations and regulates the management and use of municipal agricultural land. It is, however, important that land disposal is treated on its own merits although alternative methods of disposal, not specifically mentioned in this policy, may be used where appropriate, subject to obtaining proper authority.

2.2 Purpose of the Policy

The purpose of the policy is to:

- 2.2.1 Provide a policy framework for the management of the Council's capital assets with specific reference to municipal agricultural land .
- 2.2.2 Promote the acquisition and use of municipal agricultural land mainly through leasehold preferably by historically disadvantaged individuals as envisaged in section 25(5) of the Constitution.
- 2.2.3 Regulate the use, acquisition and disposal of municipal agricultural land in accordance with the applicable regulations.
- 2.2.4 Ensure that municipal agricultural land held by it, which is not envisaged for or already used for public purposes and/or in the public's interest, be dealt with in a manner that will ensure the greatest benefit to the Council and the community.

- 2.2.5 Ensure current long term lease agreements pertaining to agricultural land are periodically revisited, especially where land is not currently being optimally used and provide for the necessary procedure for the disposal or awarding of rights of such land in terms of the applicable regulations.
- 2.2.6 Ensure fairness, equity, transparency, cost effectiveness and competitiveness.
- 2.2.7 Ensure speedy availability of land to qualifying residents.
- 2.2.8 Provide for a standard process to be followed for the application and allocation of municipal agricultural land in line with the Municipal Financial Management Act (MFMA) and the MATR.
- 2.2.9 Provide for the institutional arrangements for the management and administration of municipal agricultural land and guide the establishment of an intergovernmental and public/private sector body to monitor implementation and provide support.
- 2.2.10 Discourage the direct sale of municipal agricultural land. In this regard, the Council may dispose of land or other immovable capital assets only once it is satisfied that such an asset is not needed to provide the minimum level of basic municipal service and that it has considered fair market value for the asset and the economic and community value to be received in exchange for the asset, in accordance with section 14(2) of the MFMA and Council has complied with subsections (1) to (6) thereof. However, the above must be done with the greatest circumspection as it is imperative to keep a balance between righting the wrongs of the past with the conservation of the Municipality's greatest cultural and economic asset - its historical treasures that gives the town its special ambiance.

3 ALIGNMENT OF THE POLICY: THE NDP AND LEGISLATION

It is important that initiatives such as this are aligned with current government development policies and the realities of the market place. To this end the National Development Plan (NDP) proposals on employment in agriculture and on land reform are presented first. This is followed by a review of the relevant legislation that impacts on the management of agricultural land in Stellenbosch.

3.1 Alignment with the National Development Plan

Chapter 6 of the National Development Plan (NDP) recognizes that the end result of more than a century of racially discriminatory practices, policies and laws regarding access to, and ownership of land in South Africa is a profound inequality, basically between commercial farmers, who are still mostly white, and small scale, often subsistence and sometimes emerging, mostly black farmers. While the exact patterns of land access differ between the provinces, this strong dualism is still the most important characteristic of South Africa's rural areas.

As a result, the NDP identifies strategies to end the dualism in South African agriculture, which distorts the spatial organisation of the country's rural areas and makes access to markets for smaller scale producers all but impossible. The Chapter addresses three sets of strategies:

- a) Rural development and food security,
- b) Employment creation in agriculture and related upstream and downstream industries, and
- c) Land reform. The last of these three is of direct interest to this policy document.

Land reform, as proposed in the NDP, is a three step process that addresses some of the realities of land reform in South Africa as defined in the National Development Plan (NDP).

Step 1:

is to convene an area-based Land Committee with representation by all interest groups such as Department s and agents of the State, farmer organizations, financial institutions including the Land Bank. The first task of this area-based initiative is to decide on a short and long term vision for land reform in their area of jurisdiction: for example, do they want only small-scale farmers, do they want to encourage the production of any particular crop or livestock enterprise, can they identify agro-processing opportunities that are suited to their area, etc.? This vision will guide their selection of prospective farmers, as is shown below. Importantly, the District Committee also considers what farmer support services, from hard infrastructure to farmer support, is required in their area of jurisdiction in order to secure the success of their vision of land reform, and starts to negotiate its provision with the relevant stakeholders. Importantly, the NDP argues that successful land reform requires that the appropriate farmer support services (access to rights in land and to supply chains such as export licences; access to input and produce markets, the appropriate physical and institutional infrastructure, access to inclusive financial services and to research and extension services, et c.) should be in place *ex ante*. Without farmer support services, land

reform will fail. *Ex post* provision of services such as those produced via CASP and RECAP are invariably too little and too late, and are not a substitute for the real thing.

Step 2

is where the Committee identifies 20 per cent of the privately owned commercial farm land in their area of jurisdiction that is available for land reform. In the short term (the first year or so) this will most likely be state land, municipal commons, land already purchased for land reform but not settled, farms that are under severe financial stress and commercial farmers willing to offer land for sale, while in the longer term (around five years), other farms will be identified. The Committee then sets criteria for tenders for the beneficial use of the targeted farm land, and invites tenders that meet these criteria. It is important that this should be a transparent process, with well-reasoned criteria. The criteria could include factors such as the age and formal educational status of the prospective beneficiary, their farming experience, the presence of a mentor, the 'fit' between their business plan and the vision of the District Committee, etc. The successful tenders will immediately be put on a professionally managed performance monitoring system that will be in place for at least the first three years of their new venture.

Step 3:

would usually commence with a scheme to purchase land for land reform. However, in the Stellenbosch case, the land will stay in the possession of the Municipality, at least in the medium run. For this reason, the scheme will commence with the free provision, for the first three years, of farming requisites (seed, fertilizer, agro-chemicals, fuel, maintenance and repairs, packaging, etc.), working capital (machines, equipment, animals, buildings, etc.) and land rental once the successful beneficiaries are identified. To this end current commercial farmers can be partnered with the new farmers, and the Municipality can coordinate with the Provincial Department of Agriculture for access to CASP funding as well as other government agencies where support is already given. It is important, however, to note that the Municipality has no jurisdiction over land reform, and cannot be expected to finance this aspect of the scheme - it can at best voluntarily coordinate the provision of support. Next, if the farmer fails the performance appraisal in the third year, they lose their preferential access to the land. In the case that she or he passes this test, the Municipality is free to increase the length of the lease immediately, or in increments, and phases a market rate of rental in over four years at 25 per cent increments per year. In year 4 (i.e. after 7 years in total) the Municipality may, if it deems this to be in the best interests of the Stellenbosch community, sell the land to the beneficiary, who, under the NDP proposals, will have recourse to the Land Bank for financing of the mortgage. This means that the new farmer will now either pay a normal market rental in the event that the land remains under leasehold or a normal market premium in the event that title is conferred. From this point onwards (i.e. after seven years), the new farmer may exercise all the rights of ownership of the lease or the title deed that accrue to any farmer within the framework of Stellenbosch Municipality policies - they may sell, buy or hire additional land, etc. Finally, the NDP also provides detailed guidelines on how the new farmers can leverage their participation in the programme to access financing in a manner that allows them a fair chance of becoming successful.

Note that the NOP is in many respects not prescriptive and is encouraging of local initiatives to address local problems. In particular, the NOP proposals encourage experimentation with:

- 3.1.1 The criteria by which success in land reform should be measured, whether this be the number of hectares transferred, the number of beneficiaries assisted, the reduction in income inequality in the area, etc. This is something that should form part of the vision for land reform, as discussed under Step 1.
- 3.1.2 The sequence of land reform implementation: In particular, it does not prescribe that a representative, area-based land committee be set up prior to the implementation process. This would especially be the case where the democratically elected local government authority takes the lead. It also does not prescribe that step 1 should precede step 2, etc.
- 3.1.3 Who should participate in the land committee?
- 3.1.4 How the Committee is to arrive at a longer term vision for land reform in its area of jurisdiction, and what that vision should look like.
- 3.1.5 What farmer support services are required, who should provide them, and how should they be provided: as long as they are planned for ex ante, and actually implemented.
- 3.1.6 The nature and origin of land targeted for early implementation of the vision for land reform. In this case, it is municipal land that is not currently encumbered or that will become so in the near future. This could, in other words, form the vanguard of a wider land reform program in the Stellenbosch Municipal area.
- 3.1.7 The criteria by which beneficiaries will be selected: The NOP is, however, prescriptive about performance monitoring of the beneficiaries and about how access for them should be financed (see Steps 2 and 3) in order to improve the prospects of success.

3.2 Relevant legislation

The legislative framework for the management of the Stellenbosch municipal property is contained and governed in a number of laws, including but not limited to:

- The Local Government: Municipal Finance Management Act 2003, Act 56 of 2003 (MFMA), in particular section 14, which deals with disposal of capital assets;
- The Local Government : Municipal Asset Transfer Regulations, 2008 (M ATR), which governs
 - The transfer and disposal of capital assets by municipalities and municipal entities; and
 - The granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;
- Any other applicable legislation, regulations and policies that may govern the disposal, letting or transfer of ownership of municipal land and related activities that are not in contradiction with the primary legislation referred to above.

Further relevant pieces of legislation governing property management include the following:

- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Constitution of the Republic of South Africa, 1996;
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Local Government : Municipal Structures Act (Act No. 117 of 1998);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000);
- Property Rates Act (Act No. 6 of 2004);
- Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993).

4 THE IMPLEMENTATION PLAN

4.1 Guiding principles

The following principles will guide the implementation of this Policy:

- 4.1.1 Promote social integration, provide redress to the Council's existing spatial inequalities, build strong and dignified communities and provide adequate infrastructure for easier access to places of work.
- 4.1.2 Optimizing property, in particular municipal agricultural land as a sustainable resource to provide better economic growth and improve agricultural diversity with regard to value adding to fresh produce.
- 4.1.3 Promote land reform by fundamentally changing unequal land ownership patterns through optimization and redistribution of long term leased land, especially that which is lying fallow.
- 4.1.4 Use property as a catalyst for economic development by establishment of agriculture beneficiation nodes.
- 4.1.5 Acquisition of additional municipal agricultural land to further the Municipality's strategic objectives.
- 4.1.6 No rights or usage of municipal owned land shall be sublet or ceded to a third party without the prior written approval of the municipality.
- 4.1.7 Under no circumstances should any mining of land, excavation of soil for selling purposes or any permanent damage to land be allowed.
- 4.1.8 No new buildings shall be permitted on leased municipal land whether long term or not unless with specific agreement of the Council and then for a use and in a style that complements the environment.
- 4.1.9 Utilization of land and other immovable assets is guided by the Municipality's Integrated Development Plan (IDP), the Spatial Development Framework and the Local Economic Development Strategy
- 4.1.10 Create an enabling environment to users of the land to participate meaningfully in agricultural activities to:
 - 4.1.10.1 Promote entrepreneurship
 - 4.1.10.2 Contribute to food production and economic opportunities
 - 4.1.10.3 Leverage the expertise and markets of existing commercial farmers to assist emerging farmers through partnerships and/or shareholding especially new entrants.

4.2 Bill of Rights - Equality

Fundamental human rights are entrenched in Chapter 2, sections 7 to 39, of the 1996 Constitution. *'The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The state must respect, protect, promote and fulfil the rights in the Bill of Rights.'*

Rural development is a central pillar of the struggle against unemployment, poverty and inequality. High levels of rural poverty and inequality inhibit the growth of the economy and undermine any efforts to ensure that growth is more equitably shared amongst citizens.

Although agriculture is not a local government mandate, Council has a developmental role to play in facilitating and advancing rural development to bring about sustainable change in the socio-economic situation of the area and to support economic growth. This developmental role is further emphasized in sections 152 and 153 of the South African Constitution.

The objects of Local Government in particular are set out in section 152 of the Constitution, which reads thus:

"{1} the objects of local government are-

- (a) to provide democratic and accountable government for local communities;*
- (b) to ensure the provision of services to communities in a sustainable manner;*
- (c) to promote social and economic development*
- (d) to promote safe and healthy environment and;*
- (e) to encourage the involvement of communities and community;*
- (f) Organization in the matters of local government.*

(2) A municipality must strive with its financial and administrative capacity to achieve the objectives as set out in this sub-section.

{3} The Constitution further determines that local government shall have the developmental duties as set out in section 153 that reads as follows:

'A municipality must-

- (4) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and*
- (5) Participate in national and provincial development programs .'''*

A reformist policy, particularly incorporating previous disadvantaged groups, is to be implemented in line with the above objectives prescribed for local governments. This policy must at all times include the fair distribution of the land with particular reference to optimal production and allocation to suitable qualifying beneficiaries.

Considering the fact that the bulk of Stellenbosch municipal agricultural land has already been allocated in long term leases, there is limited agricultural land available which can be gainfully applied. A further hindrance is the availability of water without which agricultural land is virtually worthless as far as viticulture and fresh produce is concerned.

It is therefore incumbent on the administration of the Municipality to ensure that the limited land currently available is optimized for the benefit of the community as a whole without taking away from the historical heritage which ensures economic progress.

4.3 Sustainable development

Implicit in the concept of sustainable development is the requirement that a broader view of the Stellenbosch economy is always at the forefront of the process; the town and surrounds are highly dependent on the historical heritage and tourism and agriculture which are the main sources of job creation.

Sustainability in this instance implies the use of land to feed urban residents and to provide for additional economic value, but not to harm the aesthetic appearance and ambiance of the countryside which is the attraction for tourism income.

Due regard for the scarcity of water and prudent use of other resources together with the application of innovative new methods of farming lies at the bottom of these efforts.

Recognition should be given to the wealth of farming experience on the one hand but a lack of business acumen on the other which should direct any training efforts towards access to markets and proper planning for the longer term. It is also essential that new farmers pool their resources to obtain maximum value for their produce.

As the right Partner can add immeasurable value to particularly HDI beneficiaries it is incumbent on the Operational Committee to facilitate, where possible, that such a Partner is introduced and that the required steps is followed to ensure that an equitable arrangement is reached with the HDI not forfeiting more than 49% of the shares.

4.4 Council powers

The Council is permitted to:

- 4.4.1 Reserve and manage immovable property in its ownership for municipal purposes in a manner that supports its strategic objectives and permit such property to be enclosed and cultivated.
- 4.4.2 Reserve and manage immovable property in its ownership for municipal purposes aligned with operational needs.

- 4.4.3 Acquire immovable property and rights in property by way of private treaty, cession, donation and expropriation to support its strategic objectives.
- 4.4.4 Alienate immovable property and rights in property by way of direct sale, public tender, auction and donation.
- 4.4.5 Let immovable property in its ownership on a long term or short term basis by way of direct negotiation or public tender.
- 4.4.6 Acquire, use or dispose of any capital assets owned by the Municipality, unless it is precluded from so doing by law or the conditions under which such immovable assets were acquired by the Municipality.

4.5 Guidelines for land allocation

The Policy prescribes the following guidelines to be followed by Council for the allocation and management of municipal agricultural land within the framework of compliance with the applicable legislation and regulations:

- 4.5.1 In a bid for municipal agricultural land, where bidders are equally competitive; preference will be given to HDI's.
- 4.5.2 In this event cognisance should be taken of Chapter 7 of the Draft policy on the Management of Municipal Immoveable property that deals with "preference points".
- 4.5.3 Special affirmative measures towards HDI's may be applied by the Municipality to ensure fairness in the disposal process of agricultural land in accordance with the Preferential Procurement Regulations.
- 4.5.4 Ensure the protection or advancement of persons, or categories of persons, disadvantaged by previous unfair discrimination.
- 4.5.5 Market forces will always be the point of departure in any land or property transaction and this must be recognised and acknowledged.
- 4.5.6 Preference will be given to bids that support economic development initiatives on a macro scale, including tourism initiatives;

- 4.5.7 May enter into Public Private Partnership agreements but only in accordance with the provisions of Section 120 of the MFMA.
- 4.5.8 Aim to redress past land ownership patterns to reflect the population demographics of the Municipality.
- 4.5.9 Council reserves the right not to dispose of any portion of land.
- 4.5.10 Compliance with the Local Agenda 21 principles of sustainable development and environmental preservation.
- 4.5.11 Council will respect all current ownership and other vested rights to property.

Current long term lease agreements pertaining to agricultural land should be revisited, especially where land is not currently being optimally used, with the aim of achieving socio-economic development, providing access to land for eligible emerging farmers and in fulfilling council's strategic objectives. Local Economic Development should therefore on a continuous basis verify that land allocated on long term leaseholds to established farmers; industry and other bodies is used for the purpose for which it was allocated on a regular basis.

4.6 Institutional & Governance Structure

While the details can be worked out when appropriate, the institutional structuring for the implementation of this draft policy will consist of the following :



Figure 1: Institutional & Governance Structure

4.6.1 Compilation of a Strategic Advisory Committee:

It is suggested that a Committee be established to play a key role in municipal agricultural land administration and management in line with the applicable legislation as explained in section 3. The committee should ideally comprise of:

- The Municipal Manager (or assigned)
- Director: Planning and Economic Development (including officials from LED),
- Director: Integrated Human Settlements and Property Management (including officials from Property Management)
- Senior Legal Advisors of Legal Department;
- Western Cape Department of Agriculture;
- Department of Water Affairs
- Winelands Water Board
- Stellenbosch University
- Department of Rural Development and Land Reform
- Special Purpose Vehicle
- Organised stakeholders with formalised relationships, e.g. Agricultural Society
- Any other relevant stakeholder as approved by the Municipal Manager

Guided by the Policy principles as stated earlier, the responsibilities of the Strategic Advisory Committee are varied and include the following:

- Providing strategic land access management and information to Council (among others)
- Changing the existing land ownership patterns whilst respecting and upholding current property rights. This should be undertaken by terminating current leases where municipal agricultural land is not currently being used optimally;
- Ensure the productive and sustainable use of land to attain both household and food security as well as increase agricultural output;
- Provide sound and competent advisory service regarding municipal agricultural land allocations and matters of access;
- Identify where to acquire land from and identify eligible occupants based on specified criteria
- Ensure compliance with the relevant strategic plans, policies and legislation;
- Ensure equitable balance between interests of the public,
- Ensure that inter-departmental and inter-sectorial cooperation and alignment takes place;
- Ensure alignment with National Development Plan, Municipal Integrated Development Plan, Municipal Spatial Development Framework and other relevant development plans;
- Supporting the formulation and implementation of limitations on land holdings and monitor ownership patterns in the Stellenbosch Municipal area ;

Coordinate the municipal agricultural land allocation system to ensure the success of implementing this policy;

4.6.2 Compilation of an Operational Committee

Guided by the Policy principles as stated earlier, the responsibilities of the Operational Committee are varied and include providing land administration and information to the Strategic Advisory Committee. It is recommended that the following departments form part of the Operational Committee:

- Property Management
- Local Economic Development
- Legal Services
- Environmental Management

The functions of this Committee will be to:

- Facilitate partnerships between established and emerging farmers, industry and government to facilitate investment, sustainability and efficiency of farming enterprises.
- Coordinate local support services.
- Receive and review land applications and/or proposals in terms of principles and specified criteria as set out in this policy and the applicable legislation.
- Maintain a database or register of land inventory and conduct a land audit periodically.

4.7 Criteria to obtain access to land

Rural development and land reform are not municipal functions per se; however, rural development has a spatial dimension and is implemented in municipal spaces. Therefore, the role of local government cannot be overemphasized.

As the custodian to relatively large tracts of land, Stellenbosch can make a meaningful contribution to Government's efforts to correct disparities in land use as a result of policies of a previous dispensation. The Municipality has a core responsibility to acquire and avail land, in the first instance, for its own use for purposes of developing and maintaining municipal infrastructure, promoting service delivery and for facilitating social and economic development and spatial integration.

The Municipality has a further responsibility in terms of acquiring, managing, developing and releasing its land and other immovable assets and rights on behalf of its residents and ratepayers. In this regard, the key consideration is that the best interests of the Municipality (and thus its residents) should be paramount in all land transactions that the Municipality enters into.

Beneficiaries will be selected from lists compiled from advertising in all the printed media in Stellenbosch. The advertisements will specify the size and type of land available and for which type of farming or land use the land is earmarked. Applicants for land lease must complete a set of documents obtainable from LED which will specify inter alia:

- What documents should be attached to the application (ID's etc.)
- Type of application (Cooperative, Trust or individual Farmer)
- Farming category: Community gardens; emerging farmers; commercial farmers
- Agricultural beneficiation: Development or use of existing or agreed infrastructure for value adding by refinement, bottling, packaging, processing, etc.
- A business plan covering:
 - Proposed business model
 - Production viability
 - Market access
 - Financial Viability
 - Support Services
 - Financial model.
- Further criteria as occasioned by the needs of the specific project, which may include, where appropriate:
 - A residential requirement (e.g. must have been a resident of Stellenbosch for a period of 10 years or more);
 - Experience in farming and/or business management at an appropriate level;
 - A means test income requirement;
 - Monthly cash flow or banking statements
 - Assets owned without encumbrance
 - Assets available but encumbered
 - Partnership and cooperation with a mentor if required;
 - Attendance of human development opportunities as prescribed;
 - Compliance with the policies of the Municipality and other applicable legislation and with the rules and regulations as set out by the Municipality from time to time.
- The criteria and process to be determined by the Municipal Manager and may vary on project to project basis based on the following principles:
 - Must be a South African citizen
 - Must be an adult.
 - Must be of a previous disadvantaged group
 - Must at least have been a permanent resident of Stellenbosch Municipal Area (minimum 5 years) on a sliding scale.
 - Must have a proven agriculture track record weighted by the fact that such a person have been employed in an overseeing capacity.
- Supply chain guidelines to be followed.

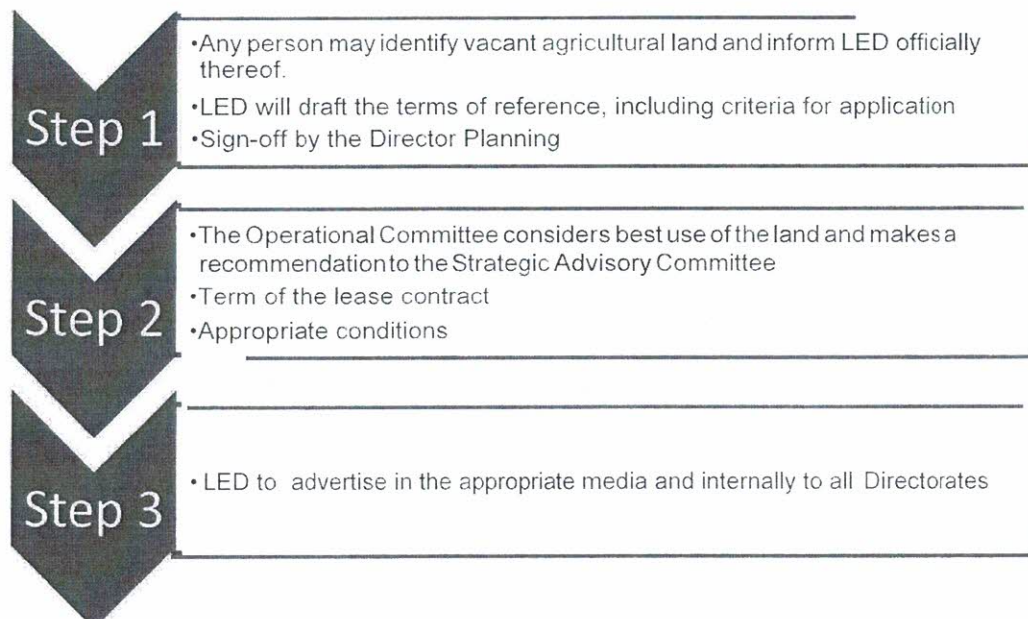
4.8 Exclusions

Land allocation will exclusively be made available for agricultural purposes and beneficiation of locally produced products. Due to the fact that the historical character and rural ambiance is important to maintain the status quo of Stellenbosch as destination of choice which is responsible for an important part of the local economy, all efforts must be made to conserve the natural environment. Unless by special decision of the Municipal Council, no agricultural land will be made available for industrial, residential, special nodal developments or any such developments that may take away from the charisma of the District or reduce farmland as a resource

- No permanent land rights for inefficient land users. Therefore continuous review, evaluation and increased productivity checks will be put in place;
- Immediate exclusion for any fraudulent activities by beneficiaries in application, during process or after allocation resulting in disqualification and prohibition of future participation (of the beneficiary or beneficiary group);
- Ensure land access only to capable, skilled, hardworking groups without farming activities in other regions of South Africa or internationally;
- Discourage speculative and unproductive land use.
- Save with prior approval, the municipal agricultural land may only be used for the purpose for which occupation was granted and purposes regularised by the relevant zoning schemes.

4.9 Process to acquire land or rights on agricultural land

The disposal of agricultural land and the awarding of rights in agricultural land will be dealt with in terms of this policy and the applicable legislation.



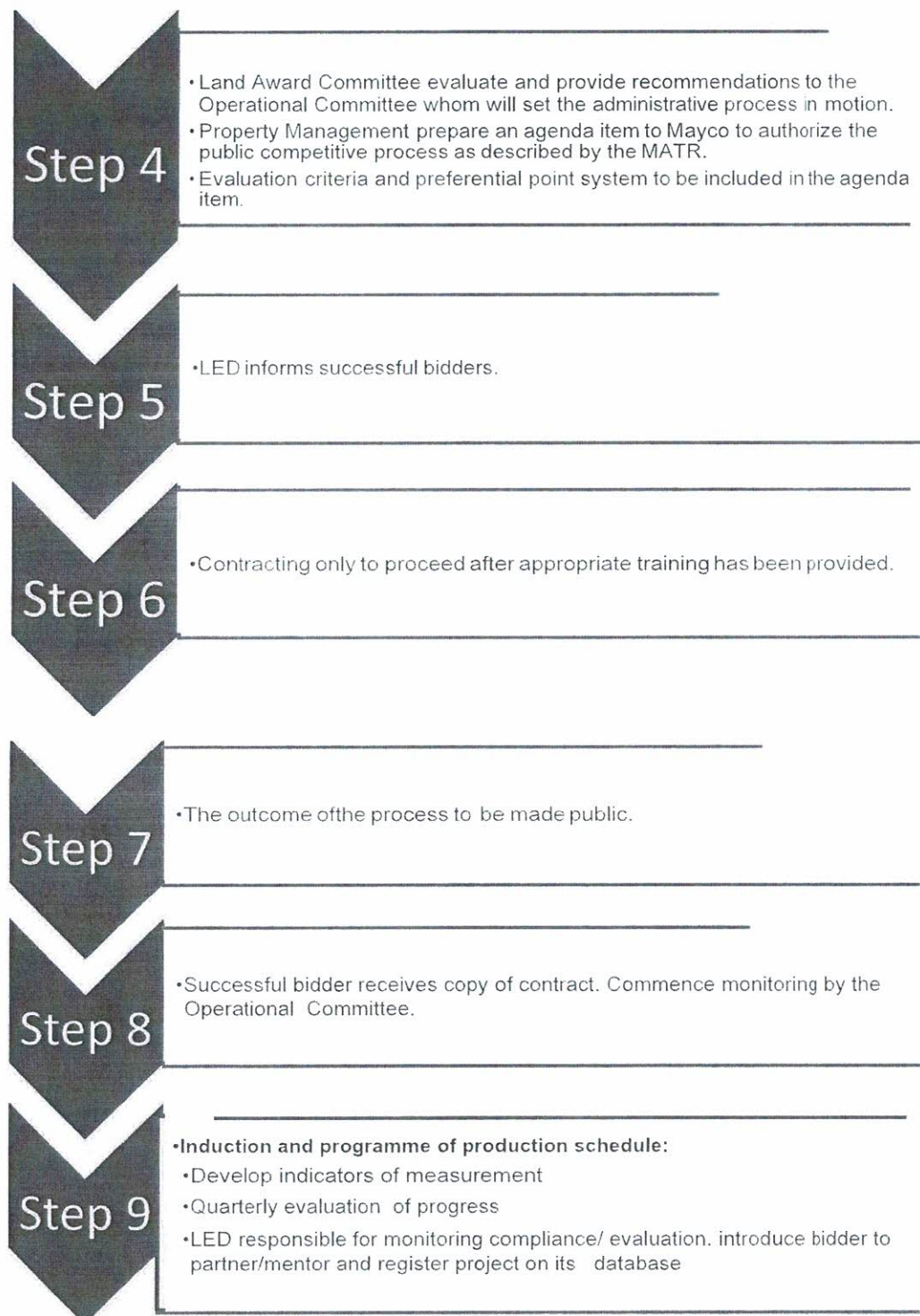


Figure 2: Process to acquire land or rights on agricultural land

4.10 Monitoring and evaluation

The municipality does not have the capacity to monitor and evaluate the progress of agricultural land and the farming practices in general. It is therefore imperative that Partners / Mentors must be found to assist in the process to not only mentor a new generation farmers but also take up the responsibility to oversee proper farming processes that is in the best interest of Stellenbosch.

It will however be in the best interest of Stellenbosch municipality to have its own database of Partners/ Mentors and therefore LED will set a process in motion to identify willing and able persons, with expertise not only in agriculture, but also in other aspects (e.g. beneficiation) relating to farming enterprises.

4.11 Policy Reviewprocess

- o This Policy shall come into effect on the date of the Council resolution;
- o This Policy may be reviewed annually and when required by way of Council resolution.

5 REFERENCES

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6 ANNEXURE A: Municipal land under leasehold

6.1 Land currently under long term leasehold

Property description	Size	Lessee	Contract Period
29	40 ha, no water	Vacant	
165/1	0,14 ha, no water	Vacant	
165/1A	10,5 ha, no water	Vacant	
183	1,55ha, no water	Vacant	
183A	35.54 ha, 12,0 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183B	11 ha, 3 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183C	8,5 ha, 2 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183D	24 ha, 8 ha water	Joretha Boerdery	01/04/1994- 31/03/2044
183E	21,84 ha, 7 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183F	8,13ha, 3 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183G	0,43 ha, No water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183/23	20,5 ha, 8 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
203/2A	4,36 ha, 2 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
279A	6,8 ha, 5 ha water	Asara Properties (Pty) Ltd	01/04/1994- 31/03/2044
279BN	25,3 ha, no water	Vacant	
279D	5 ha, no water	Vacant	
295/3 Remainder Erf 376 Remainder Erf 9190	70,4 ha, 10 ha water	Stellenbosch Golf Club	20/12/1994- 31/03/2041
352/2	.0297 ha, no water	Okkie Jooste Kampterrein	24/03/1934-23/03/2033
352/2 other	174,8 ha, no water	MTO	24/03/1934-23/03/2033
368/2	3,5 ha, no water	Vacant	
369/C	3,5 ha, no water	Vacant	
369F	8,5 ha, 2,5 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369P	60,5 ha, 25 ha water	KWV (Pty) Ltd	01/04/1991-31/03/2041
369T	1,2 ha, no water	Paradyskloof Tennis Club	21/06/1999-20/06/2041
369U	0,31 ha, 0,1 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369V	2,84 ha , 0,9 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369W	38,1 ha, 11,4 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
377A	9,42 ha, no water	Vacant	
377B	16,27 ha, no water	Goedvertrouw (Kirsten)	01/04/2007-31/03/2032
377C	36 ha, 10 ha water (Originally 39,4ha see erf 9190)	J.P Roux & Son	01/09/1999-31/03/2041
Lease Area 2 of over Rem Erf 9190 (Originally part of 377 C)	3,4 ha, no water	J.P Roux & Son	01/09/1999-31/03/2041
Lease area 1	16,2241 ha, 12 ha water	Blaauwklippen Agricultural	01/09/1999-31/03/2041

over Rem Farm 377 (Originally part of 377F)		Estate	
Portion 13 of 491/1	11,36 ha, 5 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AA	11,1 ha, 6 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AB	17,5 ha, 9 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AC	3,5 ha, 1 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AD	8 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AE	27,4 ha, 8 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AF	14,1 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AG	13,3 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AH	7,2 ha, 2 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AJ	10,7 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AK	22,5 ha, 8 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AL	13,5 ha, 4 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AM	8,56 ha, 3 ha water	Vacant	
502AN	28,5 ha, 9 ha water	Paul Roos Boerdery (Edms) Bpk	
502AP	7 ha, 2 ha water	Vacant	
502AQ	8 ha, 3 ha water	Paul Roos Boerdery (Edms) Bpk	
502AR	4 ha, 1 ha water	Paul Roos Boerdery (Edms) Bpk	
502AS	26,5 ha, no water	H. W Gebers	
502AU	8,9ha, no water	Vacant	
205AW	6 ha, no water	Vacant	
502AX	6,96 ha, 2,3 ha water	R Myburgh Boerdery	01/04/1991- 31/03/2041
502AY	4,28 ha, 1,3 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BB	18,84 ha, 6 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BC	8,5 ha, 2,5 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BD	8,5 ha, 3 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BE	11 ha, 4 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BFN	15,5 ha, 6 ha water	Vacant	
502BH	65,5 ha, 26 ha water	Organic Small Farm Holding Trust	01/04/1991- 31/03/2041
505BJ	5,9 ha, 3 ha water	Limberlost Berry Farm	01/04/1991- 31/03/2041
502BK	72 ha, 22 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BL	12 ha, 4 ha water	Medi-Prop cc	01/04/1991- 31/03/2041
502BM	5,35 ha, 1 ha water	Vacant	
502E	15,5 ha, 5,2 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502L	28,2 ha, 2 ha water	Stellenbosch Vliegveld Maatskappy	01/04/1991- 31/03/2021
502M	5,1 ha, 3 ha water	Higgs Trust (Pty) Ltd	01/04/2002- 31/03/2041
502N	4,2 ha, 1,5 ha water	Stellenbosch District Riding Club	01/04/1991- 31/03/2021
502R	28, 8 Ha, 8 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502S	23,6 ha, 7,9 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502T	11,3 ha, 3,8 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502V	21,6 ha, 8 ha water	Vacant	
502W	9 ha, 3 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502X	7,8 ha, 2 ha water .6855ha – sub-leased	Die Groothoek Trust Sub-lease of 6855 ha to Stellenbosch Restaurant CC	01/04/1991- 31/03/2041
527A	2 ha, 1ha water	G.JC Norval	
527E	14,78 ha, 7 ha water	Blaauwklippen Agricultural	01/09/1999-31/03/2041

		Estate	
527F	53,5 ha, 8 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
527J	28,3 ha, 9 ha water	Nietbegin Boerdery	01/04/1991- 31/03/2041
528A 529C	20,3 ha, 2 ha water	Mountain Breeze Caravan Park cc	01/04/1991- 31/03/2021
529A	51,7 ha, 25 ha water	P.G Du Toit Boerdery	01/04/1991- 31/03/2041
529B	17,4 ha, 9 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
619/1	26 ha c/water	Vacant	
1024/1 Franschoek	43,7 ha, no water	Franschoek Trust	11/08/2012
1135/1	127,2 ha, no water	Theewater Bevaria	20/06/2032
Lease area 1 over Rem Erf 9190 (Originally 377F)	6,418 ha, no water	Blaauwklippen Agricultural Estate	01/09/1999-31/03/2041
Total leased	1 416.79ha		
Total vacant	286.34 ha		
Total	1703.13 ha		

6.2 Current vacant land

Property Description	Size	Total	Water
29(26)	40 ha No water	40	
165/1A	10.5 ha No water	10.5	
165/1B	0.14 ha No water	0.14	
279BN	25.3 ha No water	25.3	
368/2	20ha	20	
369/C	3.5 ha No water	3.5	
377A	9.42 ha No water	9.42	
502AM	8.56 ha 3 ha water	8.56	3
502AP	7 ha 2 ha water	7	2
502AU	8.9 ha No water	8.9	
502AW	6 ha No water	6	
502BFN	15.5 ha 6 ha c/water	15.5	6
502BM	5.35 ha 1 ha water	5.35	1
502V	21.6 8 ha water	21.6	8
619/1	26 ha c/water	26	
Total		207.77 Ha	20 Ha

6.3 Stellenbosch municipal land under Empowerment projects

Farm Number	Size (approximate)	Owner	Water available
377c	36 Ha	Eerste Oorkant Boerdery	10 ha water
2/9190	3.4 Ha	Eerste Oorkant Boerdery	No water
502 AX	TBC	TBC	TBC
502AY	TBC	TBC	TBC
502BC	TBC	TBC	TBC
502BH	65 Ha	Organic Small Farm Holding Trust	26ha water
502BL	12 Ha	Medi Prop	4ha water
502M	5.1 Ha (60%)	Higgs Trust (Pty) Ltd J de Munk	3 ha water
527F	53.5 Ha (51%)	Redlex 421 (Edms) Bpk	8ha water
529B	17.4 Ha (51%)	Redlex 421 (Edms) Bpk	9ha water
Total	212.16 Ha		

7.9	YOUTH, SPORT AND CULTURE: (PC: CLLR J FASSER)
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NONE

7.10	MUNICIPAL MANAGER
7.10.1	CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (ANIMAL WELFARE) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022

Collaborator No:

708233

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

15 June 2021

1. **SUBJECT: CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (ANIMAL WELFARE) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022**

7 PURPOSE

To discuss and consider the funding applications for the 2021 / 2022 financial year received from external bodies performing a Municipal function as provided by the Policy for the Funding of External Bodies Performing a Municipal Function, read with Section 80(2) of the Municipal Systems Act No. 32 of 2000.

8 DELEGATED AUTHORITY

In terms of Section 7(2) of said policy the Grants Committee is delegated to allocate funds to External Bodies Performing a Municipal Function.

9 EXECUTIVE SUMMARY

The Policy relating to External Bodies Performing a Municipal Function, as approved by Council, in terms of which allocations may be made to bodies performing a Municipal function, refers. In terms of Section 6(2) of said policy the Grants Committee is delegated to allocate funds to External Bodies performing a municipal function.

The notice of the applications for the funding of bodies performing a municipal function was advertised in the local newspapers on:

- Eikestadnuus 30 March 2021

The advert was also advertised on the Stellenbosch Municipal Website.

The notice invited applications, in accordance with the Policy, for funding in the areas of:

- Facilities for the accommodation and burial of animals

The closing date for applications was 29 April 2021 and each organization/ body which had responded to the notice in the media thus had a fair opportunity to provide the required information to be considered.

The following bodies submitted applications by the closing date for funding to perform the accommodation and burial of animals function for Council for the 2021 / 2022 financial year and this is compared with the funding granted for the 2020 / 2021 financial year:

COMMUNITY AND PROTECTION SERVICES:

Applicant	2021 / 2022 Funding requested in Rand Value	2020 /2021 Funding Received in Rand Value
Animal Welfare Society Stellenbosch	R2 948 232.88	R1 012 516.00
SPCA Franschhoek	R750 000.00	R187 484.00

Currently, Council has budgeted the following amount for 2021/2022:

Community and Protection Services:

SPCA: R1 236 000.00

10 RECOMMENDATIONS

In the light of the above and the reasons submitted in this report, the following is recommended to the Grants Committee for endorsement to Council for decision:

- that the amount of R1 042 891.48 be allocated to the Animal Welfare Society of Stellenbosch for the 2021 / 2022 financial year; and
- that the amount of R193 108.52 be allocated to the SPCA Franschhoek for the 2021/2022 financial year.

11 DISCUSSION

- 6.1 The following applications for the funding of facilities for the accommodation and burial of animals were received:

Animal Welfare Society of Stellenbosch	
Funds requested	2 948 232.88
Operational costs	2 448 232.88
Sterilisation	500 000.00
Sub-Total	2 948 232.88
TOTAL FUNDING REQUEST	2 948 232.88

SPCA Franschhoek	
Funds requested	750 000.00
Animal Euthanasia	25 000.00
Sterilisation	150 000.00
Operational costs	208 900.00
Capital costs	366 000.00
Sub-Total	749 900.00
TOTAL FUNDING REQUEST	750 000.00

Compliance checks

Animal Welfare Society of Stellenbosch		Amount requested: R2 948 232.88
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	✓	31 March 2020
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive.	✓	
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.	✓	Previous financials
6. If the Organisation received funding from other bodies, please identify and list the amounts received.	✓	
7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached.	✓	
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation	n/a	

Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached.		
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached.	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	

Compliance checks

SPCA Franschhoek		Amount requested: R750 000.00
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	✓	31 March 2020
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive.	✓	
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.	n/a	
6. If the Organisation received funding from other bodies, please identify and list the amounts received;	n/a	
7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached;	✓	
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation	n/a	

Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached;		
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached;	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	The valid Tax Clearance Certificate has been submitted.

12 IMPACT OF COVID-19 ON FUNDING PROGRAMS

It should also be noted that promulgation of the national disaster (COVID-19 pandemic) in terms of the National Disaster Act, Act 57 of 2002 by the President of the Republic of South Africa from 27 March 2020 and the impact of the lockdown regulations with the systemic unlocking of economic activity, did not have an impact on the services the SPCA and Animal Welfare Societies performed as they continued performing an essential services which has been identified as a dire need.

13 EVALUATION OF FUNDING REQUESTS

Based on the factors mentioned in point 5 & 6 of this report, it is clear that these two (2) organisations have qualified to be considered for funding, which is the **Animal Welfare Society of Stellenbosch and SPCA Franschhoek**.

Although the Animal Welfare Society of Stellenbosch has requested R2 948 232.88 it is proposed that the Animal Welfare Society of Stellenbosch be allocated an amount of R1 042 891.48 which is a 3% increase of the previous year. The SPCA Franschhoek has requested R750 000.00 and it is proposed that an amount of R193 108.52 be allocated to the SPCA Franschhoek which is an increase of 3% of the previous year which makes the increase an average of 3% on the previous allocations.

It should be noted that the previous financial year the Animal Welfare Society of Stellenbosch received an allocation of R1012 516.00 and the SPCA Franschhoek R187 484.00. The requests from the Animal Welfare Society of Stellenbosch of R2 948 232.88 and the SPCA Franschhoek respectively is not within our available budget and thus the allocation as indicated should be seen as a reasonable allocation.

It would thus be proposed that the allocated amounts of the Animal Welfare Society of Stellenbosch and the SPCA Franschhoek be supported by the Grants Committee as specified for the 2021/2022 financial year as follow;

Animal Welfare Society of Stellenbosch: R1 042 891.48

SPCA Franschhoek: R 193 108.52

The available budgeted amount for SPCA Grant funding for 2021/2022 is R1 236 000.00.

Sufficient funds are available to allocate the recommended allocations to the two organisations.

RECOMMENDATIONS FROM THE GRANTS-IN-AID COMMITTEE TO THE EXECUTIVE MAYOR: 2021-06-09: ITEM 3.1

- (a) that the amount of R1 042 891.48 be allocated to the Animal Welfare Society of Stellenbosch for the 2021 / 2022 financial year; and
- (b) that the amount of R193 108.52 be allocated to the SPCA Franschhoek for the 2021/2022 financial year.

ANNEXURES

Annexure I: Copy of advert in Eikestadnuus

Annexure II: Animal Welfare Society Stellenbosch application

Annexure III: SPCA Franschhoek application

FOR FURTHER DETAILS CONTACT:

NAME	Neville Langenhoven
POSITION	CHIEF LAW ENFORCEMENT
DIRECTORATE	COMMUNITY AND PROTECTION SERVICES
CONTACT NUMBERS	021 808 8497
E-MAIL ADDRESS	<i>Neville.langenhoven@ Stellenbosch.gov.za</i>
REPORT DATE	26 May 2021

ANNEXURE 1

Munisipale Kennisgewing: 3/2021

KENNISGEWING: AANSOEKE OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERVAT IN DIE "BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG," SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSELS, WET 32 VAN 2000 VIR DIE FINANSIËLE JAAR 2021/22

Kennisname geskied hiermee vir Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Eksterne Entiteite wat 'n Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelsels, Wet 32 van 2000 en wat kwalifiseer vir finansiële hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die WCO24 munisipale grens wat die volgende munisipale funksies verrig:

- Fasiliteite vir die akkommodasie en begrawing van diere, sal in aanmerking kom vir befondsing.

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesel word van al die gevraagde inligting, dokumentasie, finansiële state, dekkingsbrief ens. en deur die Direkteur: Gemeenskaps - en Beskermingsdienste ontvang word teen 12:00 op 29 April 2021 sal oorweeg word.

Afdrukke van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by:

Wetstoepassing Departement
Hofmanstraat 1

alhoewel daar opgedaag het s wel ongeveer 1 aangepak het. verantwoordeli van die omhein skoonmaak van terwyl die vrou baan-oppervlak astrobaan orde het Bunting aa

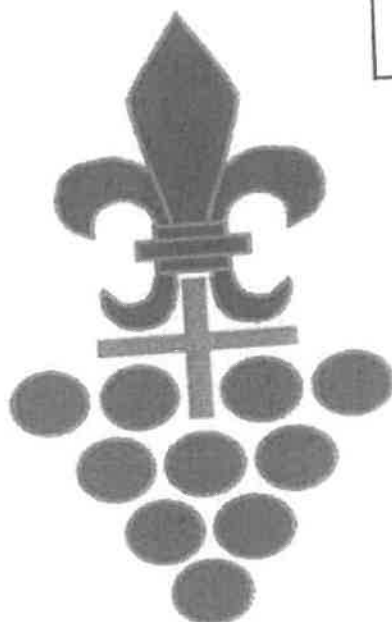


ANNEXURE 2

APPENDIX 24

STELLENBOSCH MUNICIPALITY

STELLENBOSCH MUNICIPALITY COMMUNITY AND PROTECTION SERVICES LAW ENFORCEMENT
26 APR 2021 <i>Received</i>
STELLENBOSCH MUNISIPALITEIT GEMEENSKAP BESKERMINGSDIENSTE WETSTOEPASSING



FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

2020/2021



STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

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1. DEFINITIONS

1.1 In this policy unless the context indicates otherwise:

- 1.1.1 **"Accounting Officer"** means the Municipal Manager as referred to in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 ("MFMA");
- 1.1.2 **"Approved Budget"** means the Municipality's annual budget approved by the Council in terms of section 24 of the MFMA and include an adjustment budget in terms of Section 28 of the MFMA;
- 1.1.3 **"Community"** means the residents within the Stellenbosch WCO24 area;
- 1.1.4 **"Constitution"** means the Constitution of the Republic of South Africa, 1996;
- 1.1.5 **"Director"** means a person appointed in terms of section 56 of the Systems Act who is directly accountable to the Municipal Manager;
- 1.1.6 **"Executive Mayor"** means the councillor elected as the Executive Mayor in terms of section 55 of the Local Government: Municipal Structures Act, 32 of 2000 ("the Structures Act");
- 1.1.7 **"Chief Financial Officer"** or "CFO" means an official as envisaged in section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 ("MFMA");
- 1.1.8 **"Grant"** means a grant or allocation, as referred to in section 17(3)(i)(ii) and 17(3)(i)(iv) of the MFMA, made by the Municipality to any organisation or body referred to in section 67(1) and to be utilised to assist the Municipality in fulfilling its constitutional mandates including local tourism, municipal health services and such other municipal functions contemplated in Part B of Schedules 4 and 5 of the Constitution;
- 1.1.9 **"Grant Committee"** means the Committee established in terms of clause 7 of this policy;
- 1.1.10 **"official"** means an employee in the service of the Municipality;
- 1.1.11 **"organisation or body"** means those organisations or bodies outside any sphere of government making application for Grants in terms of this Policy, Which include associations, non-profit organisations or companies or trusts;
- 1.1.12 **"the Systems Act"** means the Local Government: Municipal Systems Act, 32 of 2000;
- 1.1.13 **"the Structures Act"** means the Local Government: Municipal Structures Act, 117 of 1998;
- 1.1.14 **"the MFMA"** means the Local Government: Municipal Finance Management Act, 56 of 2003;
- 1.1.15 **"the Municipality"** means the Stellenbosch Municipality and reference to Council has a similar meaning;

- 1.1.16 **"the Policy"** means the Financing of External Organisation/Bodies Performing Municipal Function Policy as set out in this document.
- 1.1.17 **"service delivery agreement"** or "MOA" means the agreement entered into between the Municipality and any organisation or body which received a Grant in terms of this Policy.

1. PURPOSE, AIMS AND OBJECTIVES

- 1.1 The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality ("the Municipality") to external organisations / bodies performing local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5.
- 1.2 The purpose of this Policy is to ensure the efficient performance of the municipal function entrusted to that external organisation/body in a manner which gives effect to the goals and objectives of the Municipality's Integrated Development Plan ("IDP") by establishing partnerships between the municipality and the organisations and bodies performing the functions on behalf of the Municipality.
- 1.3 The Municipality will favour grants for achievement of outcomes aligned to the IDP. The objective of the funding of external bodied performing municipal functions is primarily to ensure the achievement of agreed outcomes to improve the health and well-being of the citizens and not to cover administrative costs and salaries.

2. LEGAL FRAMEWORK

- 2.1 In terms of section 156 of the Constitution, the Municipality has executive authority in respect of and the right to administer –
- 2.1.1 the local government matters listed in Part B of Schedule 4 and 5; and
- 2.1.2 any other matters assigned to it by national and provincial legislation.
- 2.2 Section 16(2) of the MFMA provides that the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(j)(ii) and 17(3)(j)(iv) provides that when an annual budget is tabled in terms of section 16(2) it must include particulars of any proposed allocation or grants by the municipality to any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or power and any organisation or bodies referred to in section 67(1).
- 2.3 Immediately after the tabling of the annual budget the accounting officer must make public the annual budget and invite the local community to submit representations in connection with the budget before the budget is approved by Council in terms of section 24 of the MFMA.
- 2.4 Section 67 of the MFMA provides that the Municipality implement and sustain proper and effective controls and procedures when transferring funds of the

- Municipality to an organisation or body outside any sphere of government.
- 2.5 Section 67(1) provides that the accounting officer must be satisfied that the organisation or body has the capacity and agreed to comply with any agreement with the Municipality including all reporting, financial management and auditing requirements as may be stipulated in the agreement, to report at least monthly to the accounting officer on actual expenditure against such transfer and to submit audited financial statements for its financial year to the accounting officer promptly. The organization must implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement and has the obligation to prove in terms of previous similar transfers that it has complied with all the requirements. The accounting officer must through contractual and other appropriate mechanism enforce compliance with this policy.
- 2.6 All transfer of funds in terms of this Policy shall comply with the Constitution, the Systems Act, the Structures Act, the MFMA and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the aforementioned legislation.

3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE

- 3.1 Applications for funding of external bodies performing municipal functions shall be considered where organisations or bodies have responded to advertisements published in the local newspapers distributed in the Stellenbosch Municipal Area calling upon organisations or bodies to submit proposals in the prescribed form, as set out 4.3 below, to perform a specific municipal function for a period up to 3 years. Such advertisements may be published quarterly by the accounting officer.
- 3.2 Advertisements should clearly specify the categories for which requests are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed form (see Annexure A) may be considered.
- 3.3 The organisation/body must submit a detailed business plan with its application, confirming the envisaged outcomes their past achievements in the field and their commitment to performing that particular municipal function effectively and in line with Council's goals as set out in the IDP. Applications must be accompanied by a covering letter on the organisation/body letterhead, signed by the head of the organisation/body and must include the following information:
- 3.3.1 the organisation/body's legal name and a brief description of the organisation/body's business;
 - 3.3.2 the organisation/body's registration number, if any;
 - 3.3.3 the date of establishment, details of the organisation/body's members, founding documents, including constitution and certificates of incorporation;
 - 3.3.4 the contact name of the person signing the application, full street address, telephone number and email address of the organisation;
 - 3.3.5 if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget

- for and the duration of the project together with a written confirmation by the relevant municipal Director that the project is part of the IDP projects or programs;
- 3.3.6 references, independent of the organisation/body and the head of the organisation/body;
- 3.3.7 most recent audited financial statements not older than 24 months;
- 3.3.8 a summary of its past achievements; and
- 3.3.9 a declaration by the head of the organisation/body to the satisfaction of the Municipal Manager that the organisation/body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.
- 3.4 Individuals will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.5 Organisations or bodies whose directors, managers, major shareholders or trustees are in service of the state will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.6 The appointment of a particular organisation/body to perform a municipal function for a period of three (3) years does not guarantee financial support by the Municipality, which will be determined annually when the municipal budget is approved by the Municipal Council.
- 3.7 No late applications received, in response to an advertisement as contemplated in clause 3.1 and 3.2 above will be considered and processed by the Grant Committee.

4. OBLIGATIONS OF THE ORGANISATION/BODY

- 4.1 The head of the organisation/body must acknowledge in writing to the Municipal Manager that the money allocated was received in its bank account and that the money will be utilised in accordance with the completed and signed MOA, the submitted application and this Policy within 30 days of transfer of funds / payment, failing which no future grants may be considered.
- 4.2 The organisation / body shall submit monthly reports on actual expenditure against such transfer, the ward within which activities are conducted as well as the number of people benefiting from the activity to the Municipal Manager.
- 4.3 The relevant municipal Director must co-sign each monthly report to confirm monthly management and oversight of the activities.

5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING

- 5.1 The relevant municipal Director shall be entitled, at any reasonable time from time to time, to verify and inspect the existence and activities of the organisation/body. The relevant municipal Director or his delegate has the right to physically visit the premises where the organisation/body or funded project is based, to peruse the budgets and any progress report related to the project.

- 5.2 The relevant municipal Director shall manage the service delivery agreement entered into between the Municipality and the organisation / body by inter alia receiving and considering monthly reports, inspecting financial records including audited financial statement.
- 5.3 If the organisation / body fails to comply with the terms and conditions of its service delivery agreement with the Municipality, the accounting officer may in consultation with the relevant municipal Director terminate the agreement with reasonable notice or grant the organization / body an opportunity to rectify the breach within an agreed period of not more than 90 days, failing which the accounting officer may terminate the agreement with reasonable notice.
- 5.4 The Municipality has the right not to give a Grant to any or all organisations/bodies applying for such Grants or to give proportional or partial grants to give. Having been awarded a Grant previously does not give an organisation/body the right to receive a Grant again.
- 5.5 The relevant municipal Director shall ensure that those organisations or bodies, who have received Grants in terms of this Policy:-
 - 5.5.1 comply with all the provisions of the completed and signed MOA;
 - 5.5.2 comply with all reporting, financial management and auditing requirements as stipulated in the MOA;
 - 5.5.3 report at least monthly to the Municipality on actual expenditure against such transfer;
 - 5.5.4 promptly, or no longer than 4 months after the end of their financial year, submit their audited financial statements; and
 - 5.5.5 utilise the grant funding strictly in accordance with the approved business plan and approved budget.
- 5.6 The requirements in paragraphs 5.5.1 to 5.5.4 above shall not apply to organisations where the transfer does not exceed R200 000,00 (two hundred thousand rand), provided the Accounting Officer takes all reasonable steps to ensure that the targeted beneficiaries, as identified by the organisation or body in its application, receive the benefit of such grants and it certifies that compliance by that organisation or body with 5.5.1 to 5.5.4 above is uneconomical or unreasonable.

6. GRANT COMMITTEE

- 6.1 A Grant Committee consisting of at least the Municipal Manager, the Chief Financial Officer and one director of the Municipality, as well as any other official whom the Municipal Manager may include, shall evaluate all applications received in response to the local advertisement.
- 6.2 The Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations.
- 6.3 The Grant Committee must submit a report on its decisions to the Council for final approval.
- 6.4 The Grant Committee shall, in terms of the Systems Act, establish a programme for community consultation and information dissemination regarding the appointment of any organisation/body and the availability of the service delivery agreement for perusal will be communicated to the local community through the media prior to any service delivery agreement being entered into between the Municipality and the organisation or body.

- 6.5 No payments in terms of the allocation will be made to any organisation / body until a service delivery agreement in the form approved by the accounting officer has been signed by the respective parties.
- 6.6 No payment can be made to an organisation/body until it has submitted its audited financial statements as contemplated in this Policy and a statement certified by its auditor that it has fully complied with its agreement with the Municipality.
- 6.7 Payments may be allocated as a once off amount or in tranches as determined by the CFO in consultation with the relevant municipal Director.

7. Funding acknowledgement of the Municipality

Successful applicants will be required to acknowledge the Municipality as the provider of Grant funding in their funding record as well as any public record in respect of Grants received in order to confirm that these transfers of funds are also part of the Municipality's endeavours to meet its strategic objectives and to assist it in carrying out its constitutional powers and functions.

8. COMMENCEMENT

This Policy called the **FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY** takes effect on the date on which it is adopted by the Council.

APPENDIX A

**STELLENBOSCH**

STELLENBOSCH . PNIEL . FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	Registered name of organisation: Animal Welfare Society of South Africa, Stellenbosch										
B	Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation): The Animal Welfare Society Stellenbosch was founded in 1956 with the donation of a van and the support of the Stellenbosch Animal Hospital. Over the past 63 years we have persistently carried out our mission to recognise animals as living beings with the right to a good quality life. We have achieved this through veterinary care, Inspectorate (enforcing the law), education, and running a Kennel, Cattery, and a successful Adoption programme, which every year places hundreds of animals in apt and loving homes.										
C	Address: <table border="0"> <tr> <td style="vertical-align: top;">(i) Street</td> <td style="vertical-align: top;">(ii) Postal</td> </tr> <tr> <td>Farm 183B Devon Valley Road</td> <td>PO Box 90</td> </tr> <tr> <td>Devon Valley</td> <td>Stellenbosch</td> </tr> <tr> <td>Stellenbosch</td> <td>7599</td> </tr> <tr> <td>7600</td> <td></td> </tr> </table> Contact details: Name and Surname: Jessica Perrins Title/Position held: Head of Fundraising & Communications Tel: +27 71 442 4215 E-mail: jessica@awss.co.za	(i) Street	(ii) Postal	Farm 183B Devon Valley Road	PO Box 90	Devon Valley	Stellenbosch	Stellenbosch	7599	7600	
(i) Street	(ii) Postal										
Farm 183B Devon Valley Road	PO Box 90										
Devon Valley	Stellenbosch										
Stellenbosch	7599										
7600											
D	List ALL the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary): Name and Surname: Jacobus Hertzog van Bergen Position: Chairman Contact Address and tel. no: 4 Upper Holly Street, Newlands 7700. 082 414 4252 Name and Surname: Susan Christabel Mungo Harvie (Vice Chairm)										

	<p>Contact Address and tel. no: Turnbury Farm, Devon Valley, Stellenbosch. 076 985 7820</p> <p>Name and Surname: Evelin Bresler</p> <p>Position: Treasurer</p> <p>Contact Address and tel. no: 6 Merlot Street, Somerset West 7130. 079 423 9334</p> <p>Name and Surname: Colleen van Rensburg</p> <p>Position: Secretary</p> <p>Contact Address and tel. no: Flat 403 Stellenberg, 6 Protea Road, Claremont 7708. 082 887 5064</p> <p>Name and Surname: Donald Maxwell</p> <p>Position: Trustee</p> <p>Contact Address and tel. no: Hovelea Farm, Devon Valley Stellenbosch 7600. 083 294 3633</p> <p>Name and Surname: Jeanette Lawrence</p> <p>Position: Trustee</p> <p>Contact Address and tel. no: 19 Graceland Place, Gordon Road, Somerset West 7130. 083 407 8215</p>
D	<p>Indicate in which ward the organisation is active:</p> <p>Ward: Entire Stellenbosch Municipal Area</p> <p>Is the organisation a non-profit company? Yes No ☒</p> <p>If yes, provide company registration number: -</p> <p>Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes ☒ No</p> <p>If yes, provide registration number: 003 - 316 NPO -</p> <p>Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes ☒ No</p> <p>If yes, provide registration number: 930 019 431 -</p> <p>Is funding required for a specific project? Yes No ☒</p> <p>If yes, attach details separately.</p> <p>Budget amount of projects: -</p> <p>Duration of project: -</p> <p>Is funding required for general support? Yes ☒ No</p> <p>If yes, attach a copy of the organisation's overall budget and business plan.</p>

E Category:

Please categorise your application (mark with x):

Tourism Destination Marketing & Visitors Information

Tourism Development

Animal Welfare ☒

Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy (general guidelines and categories)

Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy

See attached proposal

.....

.....

.....

.....

.....

.....

.....

F The following MUST accompany this application:

1. A copy of the latest, audited financial statements.
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following:
 - Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality.
 - Commencement and completion dates of the project.
 - Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution.
 - A list of all other sources of funding together with the assessments.
 - A summary of past achievements.
 - References independent of the applicant and its executive.
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.
6. If the Organisation received funding from other bodies, please identify and list the amounts received;

7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached;
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached;
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and
10. Valid Tax Clearance Certificate issued by SARS.

G The following shall apply:

1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for.
2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.
3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully.
4. Organisations who have already received financial or other assistance from the Council during the previous financial year must specify same in their application.
5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations.
6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.
7. Projects outside the boundaries of the Council will not be considered.
8. Subsequent requests from applicants to cover overspending on projects will not be considered.
9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds.
10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body has to:-
 - Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.
 - Report monthly on the actual expenditure of the amount allocated.

11. The Council reserves the right not to give funding to any or all organisations applying.
12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again.
13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H Undertaking:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with.

I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Stellenbosch on this 26th day of April.....2020

Lorna Lucie Hughes

Chairperson / Authorised Representative

Jessica Perrins

Secretary / Duly Authorised Signatory

I Please take note:

(i) That completed application forms together with all the required documentation must be delivered to:

**Director: Planning and Economic Development
P O Box 17
Stellenbosch
7599**

Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

(ii) That the closing date for the submission of applications is: at
.....

(iii) That neither late nor incomplete applications shall be considered.

Date: 16/10/2020

J Goosen

LDP Inc.

PO Box 920

Stellenbosch

7599

Dear Sir(s)

This representation letter is provided in connection with your audit of the financial statements of Animal Welfare Society SA, Stellenbosch for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

We confirm that, to the best of our knowledge and belief, and having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following:

1. Financial statements

We have fulfilled our responsibilities, as set out in the terms of the engagement dated 01 April 2020, for the preparation of the financial statements, and confirm that the financial statements fairly present, in all material respects, the state of affairs, results of the operations and cash flows of Animal Welfare Society SA, Stellenbosch in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the manner required by the Companies Act of South Africa No. 71, as amended.

2. Information provided

We have provided you with:

- (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- (b) Additional information that you have requested from us for the purpose of the audit; and
- (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

3. Accounting estimates and fair value measurements

We confirm that the following representations made to you or implied by us during the course of the audit are, to the best of our knowledge and belief accurate:

- (a) That the assumptions and models used in determining the accounting estimates are appropriate in the context of the International Financial Reporting Standard for Small and Medium-sized Entities and applied consistently throughout the process;
- (b) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
- (c) That the assumptions appropriately reflect management's intent;
- (d) That disclosures related to accounting estimates are complete and appropriate under the International Financial Reporting Standard for Small and Medium-sized Entities; and
- (e) That no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.

4. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

5. Litigations and claims

The estimated effect of pending or threatened litigation and claims against Animal Welfare Society SA, Stellenbosch have been properly recorded or disclosed in the financial statements.

Except as disclosed in the notes to the financial statements, we are not aware of any additional claims that have been or are expected to be received.

6. Related parties

We have disclosed to you the identity of all related parties to Animal Welfare Society SA, Stellenbosch and all related party relationships and transactions of which we are aware.

We have appropriately accounted for and disclosed the identity of, and balances and transactions with, related parties in accordance with the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities.

7. Going concern

We have disclosed to you all information relevant to preparation of the financial statements in accordance with the going concern assumption.

8. Subsequent events

All events subsequent to the date of the financial statements and for which the International Financial Reporting Standard for Small and Medium-sized Entities require adjustment or disclosure have been adjusted for or disclosed in the financial statements and notes thereto.

9. Fraud

We understand that the term 'fraud' includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve theft of an entity's assets, often accompanied by false or misleading records or documents to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge that it is our responsibility to design, implement and maintain internal controls to prevent and detect fraud.

There have been no instances of fraud or possible fraud known to me that may have affected the , involving:

- (a) Management;
- (b) Employees who have significant roles in internal control; or
- (c) Others where the fraud could have a material effect on the financial statements.

There have been no allegations of fraud, or suspected fraud, affecting Animal Welfare Society SA, Stellenbosch's financial statements communicated by employees, former employees, analysts, regulators or others.

We have disclosed to you the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud or may have been misappropriated.

We have disclosed to you my knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.

10. Uncorrected misstatements

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

11. Comparatives

There are no significant matters that have arisen that would require a restatement of the comparatives.

12. Current assets

Current assets have a value, on realisation in the normal course of business or an expected cost benefit, at least equal to the amounts at which they are stated in the statement of financial position.

Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before year-end date and appropriate provisions have been made for any impairment losses that may be sustained.

13. Property, plant and equipment

The carrying values at which property, plant and equipment are stated in the balance sheet were arrived at after:

- (a) Taking into account, as additions, all expenditure (excluding expenditure of a revenue nature) during the year, which represented capital outlay on these assets.
- (b) Writing off of all amounts relating to items which have been sold and scrapped by year-end date.
- (c) Providing for depreciation / amortisation on a scale to cover obsolescence as well as wear and tear and thus reduce the net book value of the assets to their estimated residual values over the economically useful lives thereof.

14. Impairment

We have reviewed the carrying amount of assets whenever events or changes in the circumstances have indicated that the carrying amount of assets may not be recoverable and have appropriately recorded any impairment adjustment.

15. Financial instruments

We confirm that we have reviewed all financial assets and liabilities outstanding as at 31 March 2020 and have correctly classified them as required by the International Financial Reporting Standard for Small and Medium-sized Entities.

Financial assets and financial liabilities were offset and the net amount reported in the balance sheet only where the entity had a legal enforceable right to offset the recognised amounts; and the entity intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Information regarding financial risk exposure and our financial risk management objectives and policies has been adequately disclosed in the notes to the financial statements, as required by the International Financial Reporting Standard for Small and Medium-sized Entities.

The necessary information about financial instruments with off-balance-sheet risk and those financial instruments with credit risk and / or interest rate risk have been properly disclosed in the financial statements as required by the International Financial Reporting Standard for Small and Medium-sized Entities.

16. Financial institutions

All financial institution accounts have been dealt with in the financial statements and accounting records. All necessary disclosures arising from the entity's relationship with the financial institution have been disclosed in the financial statements.

17. Income tax

The deferred tax valuation has been determined pursuant to the provisions of the International Financial Reporting Standard for Small and Medium-sized Entities including the company's estimation of future taxable income.

The deferred tax valuation has been recognised for all deductible temporary differences as required by the International Financial Reporting Standard for Small and Medium-sized Entities.

18. Contractual agreements

The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. All contractual arrangements entered into by the company have been properly reflected in the accounting records and where material or potentially material to the financial statements have been disclosed.

19. Encumbrances

The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, except those disclosed in the notes to the financial statements.

20. Commitments

At year-end date, there were no material commitments under contracts concluded for capital expenditure, forward contracts of purchase and sale of foreign exchange or amounts of capital expenditure authorised by the attorneys which had not been contracted for, other than those provided for or disclosed in the financial statements.

21. Financial statement disclosure

The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:

- (a) Losses arising from sale and purchase commitments;
- (b) Agreement and options to buy back assets previously sold;
- (c) Assets pledged as collateral;
- (d) Off-balance-sheet activities, including transactions with special purpose entities, non-consolidation and revenue recognition;
- (e) Significant common ownership or management control relationships;
- (f) Changes in accounting principles affecting consistency; and
- (g) Share repurchase options and agreements and share reserved for options, warrants, conversions and other requirements.

Except as disclosed in the financial statements or notes thereto, there are no:

- (a) Other gain or loss contingencies or other liabilities that are recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possible illegal acts, or possible violations of human rights; or
- (b) Other environmental matters that may have a material impact on the financial statements.

Yours faithfully

Chairman



ANIMAL WELFARE SOCIETY SA, STELLENBOSCH
(Registration number NPO 003-316)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Contents

The reports and statements set out below comprise the annual financial statements presented to the members of the organisation:

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Independent Auditor's Report	2 - 4
Members' Responsibilities and Approval	5
Members' Report	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
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Notes to the Annual Financial Statements	14 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Statement of Financial Performance	17 - 18

Level of assurance

These annual financial statements have been audited.

Preparer

These annual financial statements were prepared by LDP Incorporated with assistance from S O'Neill.



AUDIT | ADVISORY | TAX

Independent Auditor's Report

To the members of Animal Welfare Society SA, Stellenbosch

Qualified opinion

We have audited the financial statements of Animal Welfare Society SA, Stellenbosch set out on pages 7 to 15, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Animal Welfare Society SA, Stellenbosch as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as set out in note 1 to the financial statements.

Basis for qualified opinion

The organisation's inventories are carried in the statement of financial position at R 262 894 and the related cost of sales of R 693 107 included in operating expenses in the statement of profit and loss and other comprehensive income. No physical verification of inventory had been done in the previous year or current year and consequently the existence and accurate valuation of the inventory closing balance could not be done.

In common with similar types of organisations, it is difficult for the organisation to institute accounting controls over the issue of donations received and cash collections from the general public as funds to maintain operations, prior to the initial entry of collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond receipts actually recorded. The completeness, accuracy, occurrence and cut-off of revenue could not be verified, hence we have no other choice than to qualify our opinion on the matter explained above.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw attention to note 1 to the financial statements which describes the basis of accounting. The annual financial statements are prepared in accordance with the organisation's own accounting policies to satisfy the financial information needs of the organisation members. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

GAUTENG: REGENCY PAVILION, ROUTE 21 CORPORATE PARK, IRENE • T: +27 (0) 12 450 3860 • F: +27 (0) 12 3453777
 WESTERN CAPE: DE WATERKANT, 10 HELDERBERG STREET, STELLENBOSCH • T: +27 (0) 21 888 5600 • F: +27 (0) 21 888 5697/8
 info@ldp.co.za • www.ldp.co.za

LDP CHARTERED ACCOUNTANTS AND AUDITORS INC. Reg nr 1994/001617/21

Other information

The members are responsible for the other information. The other information comprises the Members' Report and the Statement of Financial Performance, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the members for the Financial Statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting set out in note 1 to the financial statements and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



LDP Inc.
Registered Auditor
J Goosen
Director

Stellenbosch

Date: 17/01/2020

10 Helderberg Street
Stellenbosch
7600

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Members' Responsibilities and Approval

The members are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in note 1 to the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in note 1 to the financial statement and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

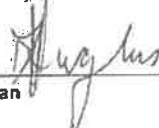
The members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the organisation's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position. They are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditor and their report is presented on pages 2 to 4.

The annual financial statements, set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the members on 16/10/2020 and were signed on their behalf by:


 Chairman


 Treasurer

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Members' Report

The members have pleasure in submitting their report on the annual financial statements of Animal Welfare Society SA, Stellenbosch for the year ended 31 March 2020.

1. Nature of business

Animal Welfare Society SA, Stellenbosch was incorporated in South Africa with interests in the domestic animal rehabilitation industry. The organisation operates in South Africa.

There have been no material changes to the nature of the organisation's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with entity specific basis of accounting. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

3. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the organisation or in the policy regarding their use.

4. Events after the reporting period (COVID-19)

In December 2019, an outbreak of novel strain of coronavirus ("COVID-19") emerged globally. Although it is not possible to reliably estimate the length and severity of this outbreak and its financial impact, the organisation could be materially and possibly adversely affected by the risks, or the public perception of the risks, related to the recent outbreak of COVID-19. The current lockdown period, called by authorities, could further negatively impact the organisation's operations. The extent and the impact of COVID-19 on the organisation's operational and financial performance will depend on future developments including the duration and the spread of the outbreak.

The members are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors.

The current lockdown period, called by authorities, has no significant impact on the organisation's operations. The organisation provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The members have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

The members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the organisation.

6. Auditors

LDP Incorporated continued in office as auditor of Animal Welfare Society SA, Stellenbosch.

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

Figures in Rand	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 154 678	1 129 259
Current Assets			
Inventories	3	262 894	208 349
Cash and cash equivalents	4	1 787 638	966 420
		2 050 532	1 174 769
Total Assets		3 205 210	2 304 028
Equity and Liabilities			
Equity			
Retained income		2 539 564	2 066 580
Liabilities			
Current Liabilities			
Trade and other payables	5	665 646	237 448
Total Equity and Liabilities		3 205 210	2 304 028

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2020	2019
Revenue	6	8 847 370	6 092 964
Other income	7	142 819	68 479
Operating expenses		(8 594 435)	(5 866 023)
Operating profit	8	395 754	295 420
Investment revenue	9	77 230	47 193
Profit for the year		472 984	342 613
Other comprehensive income		-	-
Total comprehensive Income for the year		472 984	342 613

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2018	1 723 967	1 723 967
Profit for the year	342 613	342 613
Other comprehensive income	-	-
Total comprehensive income for the year	342 613	342 613
Balance at 01 April 2019	2 066 580	2 066 580
Profit for the year	472 984	472 984
Other comprehensive income	-	-
Total comprehensive income for the year	472 984	472 984
Balance at 31 March 2020	2 539 564	2 539 564

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

Figures in Rand	Notes	2020	2019
Cash flows from operating activities			
Cash generated from operations	10	891 935	674 943
Interest income		77 230	47 193
Net cash from operating activities		969 165	722 136
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(187 947)	(509 407)
Sale of property, plant and equipment	2	40 000	-
Net cash used in investing activities		(147 947)	(509 407)
Cash flows from financing activities			
Total cash movement for the year		821 218	212 729
Cash at the beginning of the year		966 420	753 691
Total cash at end of the year	4	1 787 638	966 420

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the organisation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	20 years
Cages, cat traps and tools	Straight line	5 years
Other fixed assets	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Tax

Tax expenses

No provision has been made of taxation as the organisation is not liable for taxation due to Section(1)(cN) of the Income Tax Act.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 Impairment of assets

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.7 Revenue

Revenue is in the form of donations received, fundraising events, membership fees, grants received and the sale of goods.

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue in the form of donations received, fundraising events, membership fees and grants are recorded in the financial statements on receipt thereof and is measured at the fair value of the consideration received.

Interest is recognised, in profit or loss, using the effective interest rate method.

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	11 547	(2 309)	9 238	11 547	(1 732)	9 815
Leasehold property	1	-	1	1	-	1
Furniture and fixtures	25 390	(25 386)	4	25 390	(25 386)	4
Motor vehicles	680 147	(253 517)	426 630	621 651	(271 581)	350 070
Office equipment	6 725	(6 721)	4	6 725	(6 721)	4
IT equipment	15 663	(12 811)	2 852	15 663	(11 256)	4 407
Leasehold improvements	942 963	(234 716)	708 247	942 963	(187 568)	755 395
Cages, cat traps and tools	6 591	(3 880)	2 711	4 506	(3 316)	1 190
Other fixed assets	16 911	(11 920)	4 991	16 911	(8 538)	8 373
Total	1 705 938	(551 260)	1 154 678	1 645 357	(516 098)	1 129 259

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	9 815	-	-	(577)	9 238
Leasehold property	1	-	-	-	1
Furniture and fixtures	4	-	-	-	4
Motor vehicles	350 070	185 862	(1)	(109 301)	426 630
Office equipment	4	-	-	-	4
IT equipment	4 407	-	-	(1 555)	2 852
Leasehold improvements	755 395	-	-	(47 148)	708 247
Cages, cat traps and tools	1 190	2 085	-	(564)	2 711
Other fixed assets	8 373	-	-	(3 382)	4 991
	1 129 259	187 947	(1)	(162 527)	1 154 678

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Buildings	10 392	-	(577)	9 815
Leasehold property	1	-	-	1
Furniture and fixtures	4	-	-	4
Motor vehicles	2	403 925	(53 857)	350 070
Office equipment	4	-	-	4
IT equipment	5 962	-	(1 555)	4 407
Leasehold improvements	693 837	104 090	(42 532)	755 395
Cages, cat traps and tools	3	1 392	(205)	1 190
Other fixed assets	11 755	-	(3 382)	8 373
	721 960	509 407	(102 108)	1 129 259

3. Inventories

Closing stock	262 894	208 349
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Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	26 435	3 739
Bank balances	1 761 203	962 681
	1 787 638	966 420
5. Trade and other payables		
Trade payables	480 646	237 448
Deferred donation - National Lotteries Commission	185 000	-
	665 646	237 448
6. Revenue		
Retail revenue	1 164 490	1 420 350
Clinic revenue	2 146 736	966 982
Municipal grant	941 000	893 550
Subsidy income	-	250
Donations: shelter	1 797 407	634 630
Donations: other	1 987 100	1 670 580
Fundraising events	806 487	500 922
Street collections	4 150	5 700
	8 847 370	6 092 964
7. Other Income		
Profit on sale of property, plant and equipment	39 999	-
Discount received	102 820	68 479
	142 819	68 479
8. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Profit on sale of property, plant and equipment	39 999	-
Depreciation on property, plant and equipment	162 527	102 108
Employee costs	3 332 233	2 893 464
9. Investment revenue		
Interest revenue		
Bank	77 230	47 193

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
10. Cash generated from operations		
Profit before taxation	472 984	342 613
Adjustments for:		
Depreciation	162 527	102 108
Profit on sale of property, plant and equipment	(39 999)	-
Interest received	(77 230)	(47 193)
Changes in working capital:		
Inventories	(54 545)	83 109
Trade and other receivables	-	212 034
Trade and other payables	428 198	(17 728)
	891 935	674 943

11. Going concern

The members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors.

The current lockdown period, called by authorities, has no significant impact on the organisation's operations. The organisation provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The members have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

The members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the organisation.

Animal Welfare Society SA, Stellenbosch

(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

Figures in Rand	Notes	2020	2019
Revenue			
Retail revenue		1 164 490	1 420 350
Clinic revenue		2 146 736	966 982
Municipal grant		941 000	893 550
Fundraising events		806 487	500 922
Subsidy income		-	250
Street collections		4 150	5 700
Donation: shelter		1 797 407	634 630
Donation: other		1 987 100	1 670 580
	6	8 847 370	6 092 964
Cost of sales		-	-
Other Income			
Discount received		102 820	68 479
Interest received	9	77 230	47 193
Profit on sale of property, plant and equipment		39 999	-
		220 049	115 672
Expenses (Refer to page 18)		(8 594 435)	(5 866 023)
Profit for the year		472 984	342 613

Animal Welfare Society SA, Stellenbosch

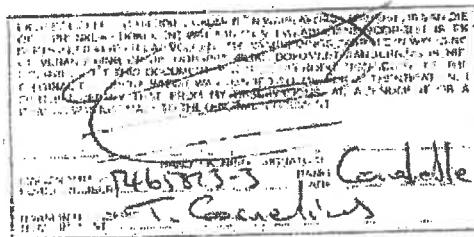
(Registration number: NPO 003-316)

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

Figures in Rand	Notes	2020	2019
Operating expenses		-	2 781
Advertising		73 364	71 667
Bank charges		234 943	158 269
Cleaning		29 408	21 856
Computer expenses		12 670	12 050
Consulting and professional fees		162 527	102 108
Depreciation		10 029	12 634
Electricity and water		3 332 233	2 893 464
Employee costs		-	237
Fines and penalties		618 780	361 427
Food expenses		216 239	202 914
Fundraising expenses		81 917	60 007
Insurance		945	10 154
Licenses		1 921 302	835 290
Medical expenses		44 554	37 549
Motor vehicle expenses		77 159	69 086
Office equipment rental		11 129	12 049
Pest control		186 158	174 950
Petrol and oil		14 758	16 623
Printing and stationery		12 504	3 830
Protective clothing		466 128	46 158
Repairs and maintenance		693 107	675 527
Retail expenses		9 743	20 016
Security		2 803	-
Staff welfare		330 000	-
Sterilisation expenses		18 177	20 018
Sundry expenses		51 154	45 349
Telephone and fax		490	-
Training		2 214	10
Travel - local		8 594 435	5 866 023

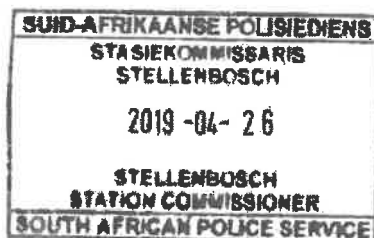
Only original copy of our NPC-
registered & FICA-registered
Constitution



CONSTITUTION

THE ANIMAL WELFARE SOCIETY OF SOUTH AFRICA: STELLENBOSCH

Reg. No.: FR 08 800364 000 1



Devon Valley Road, Stellenbosch
P.O Box 90, Stellenbosch, 7599
(021) 886 4901

CONSTITUTION
OF THE ANIMAL WELFARE SOCIETY OF SOUTH AFRICA:
STELLENBOSCH
(Fund-Raising No. 08 800364 000 1)

Devon Valley Road, Stellenbosch
P.O. Box 90, Stellenbosch, 7599
Tel : (021) 886 4901

1. NAME

1.1 The name of the Society shall be: **THE ANIMAL WELFARE SOCIETY OF SOUTH AFRICA:STELLENBOSCH**

1.2 It's shortened name will be : A.W.S.: STELLENBOSCH

1.3 The Society shall :

- * Exist in its own right, separately from its members or office-bearers.
- * Continue to exist even when its membership changes and there are different office-bearers.
- * Be able to own property and other possessions.
- * Be able to sue and be sued in its own name.

2. HEADQUARTERS

The headquarters of the Society shall be at Stellenbosch.

3. AREA OF OPERATION

The area in which the Society will carry out the objects shall be:

- the Municipal area of STELLENBOSCH and the magisterial district of Stellenbosch including Webbersvallei (formerly Jamestown), Koelenhof, Kylemore, Lynedoch*, Muldersvlei, Pniel, Vlottenburg* (*up to the Annandale Road on the South), and up to the Stellenbosch side of the Blackheath Road which forms the boundary on the Eerste River/Kleinvlei side on the west.

Appeals for the purpose of fund-raising activities as prescribed by the Fund-Raising Act No. 107 of 1978 or Nonprofit Organisations Act No. 71 of 1997, whichever is applicable, may be made to the public by any means thought fit in the areas detailed above.



4. OBJECTS

The objects of the Society shall be:

- (a) To prevent cruelty to animals and to promote animal welfare;
- (b) To prevent wanton and improper treatment of animals;
- (c) To encourage kindness and consideration towards animals including the establishment and promotion of junior movements;
- (d) To endeavor to have all laws for the protection of animals enforced;
- (e) To create and sustain a general interest in the carrying out of these objects by education, example, practical activities and propaganda;
- (f) In genuine necessitous cases to afford such free treatment and assistance to animals as may be found possible;
- (g) To erect and maintain animal homes, animal hospitals and similar undertakings where and whenever this is deemed necessary and/or feasible;
- (h) To implement all or any of the foregoing objects by any lawful means.

5. POWERS OF THE SOCIETY

The Society is empowered generally to transact such business and conduct such affairs as are necessary for the proper fulfillment of its objects as laid down in Section 4 hereof, viz.

- (a) To acquire funds for the purpose of the Society by means of subscriptions, by accepting donations, grants and bequests and by any other lawful means;
- (b) To utilize these funds or any part thereof in any manner which may be necessary or expedient for the proper conduct of the functions of the Society;
- (c) To do everything necessary for the proper and businesslike control and conduct of the affairs of the Society;
- (d) That should the services of a fund-raiser be made use of for the collection of contributions, the expenses (remuneration and/or commission included) may not exceed 40% of the total proceeds of the collection.

6. MEMBERSHIP

Membership shall be open to members of any racial group who may legally become members; provided that the Executive Committee may, at its sole and absolute discretion, refuse membership to any person whose membership it considers undesirable.

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Membership of the Society shall consist of the following categories:

- (a) **Ordinary Members and Junior Members** – persons who subscribe the annual amount fixed from time to time by the Executive Committee; a **Junior Member** is a person under the age of 16 years;
- (b) **Life Members** – persons who subscribe a single sum of money fixed from time to time by a General Meeting of the Society
- (c) **Honorary Life Members** – persons appointed by the Executive Committee for services to the Society or to animals which, in the opinion of the Executive Committee, merit such recognition. Such members shall not be required to pay any subscription.
- (d) **Corporate Members** – companies, firms, or other bodies which subscribe an annual amount not less than R100-00 (one hundred Rand).

Such members shall be entitled to nominate, in writing, a person to represent them, and such person shall whilst he/she remains a nominee, be subject to the same conditions, and entitled to the same rights and privileges as any Ordinary Member.

- (e) All subscriptions shall become due twelve calendar months after the last payment was made to the Society and shall be regarded as being in arrears if they are not paid within three calendar months of that date.
- (f) Any member who is six months in arrears with his/her subscription, shall not be entitled to vote.

7. POWERS AND PRIVILEGES OF MEMBERS

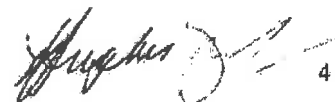
- (a) All classes of members, except Junior Members, shall be entitled to attend and vote at the General Meetings of the Society and shall be eligible for election as officers or members of the Committee, provided that they are in good standing with the Society. 'In good standing' shall mean that all subscriptions and other monies due to the Society, shall have been paid.
- (b) A minimum period of one month's membership shall elapse before a member is entitled to vote at an Annual General Meeting.
 - (i) Each member entitled to attend and vote at any meeting, shall have one vote.
 - (ii) At any general meeting, voting shall be decided on a show of hands unless a poll be demanded. This shall be taken in a manner and at a time as determined by the Chairman or person presiding at the meeting.
 - (iii) When any ballot is necessary, two scrutineers shall be elected by the Chairman.
 - (iv) Any member in arrears with any payment due to the Society shall be disqualified from voting.

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- (v) All decisions shall require a simple majority vote, unless otherwise stipulated. The Chairman shall have a casting vote in addition to his deliberative vote, in the event of an equality of votes.
- (c) Paid employees of the Society shall be eligible for membership of the Society, but neither they, nor their near relations by blood or marriage shall be eligible as Trustees, Officers, or members of the Executive Committee; provided that the term 'paid employees' shall not be regarded as referring to persons to whom the Executive Committee may vote *honoraria* or other payments for specific services to the Society.
- (d) The Executive Committee may, at its sole and absolute discretion, expel or suspend any member who has, in its opinion, been guilty of conduct prejudicial to the objects, interests, or reputation, to the Society. On being notified of such expulsion or suspension, such member may, in writing, request the Executive Committee to reconsider its decision, and may make such representations and draw attention to such facts as he/she may deem relevant to his/her request.
- (e) If the Executive Committee adheres to its decision thereafter, the matter shall be placed on the agenda of the next General Meeting of the Society, pending which the expulsion or suspension will remain effective, and the member concerned is debarred from alleging any prejudice in regard thereto.
- (f) The liability of the members is limited to the amount in arrears in respect of their subscriptions and any other amounts which they may owe to the Society.
- (g) A member may resign by giving written notice to the Secretary and shall be deemed to have resigned if his annual subscription is more than twelve months in arrears; provided that such resignation shall not absolve the member concerned from any liability in respect of any arrear subscription, or any current subscription or other amount which is, or may become due to the Society up to the next following the date of such resignation.
- (h) It is a condition of membership that members are deemed to be aware of and to be bound by this Constitution and any amendments thereto.

8. MEETINGS

- (a) **Annual General Meetings** shall be held at such time and place as the Executive Committee may decide. This should if at all possible, take place within five months after the end of the financial year.
 - (i) **Six members** shall form a quorum at the Annual General Meeting. The retiring Chairman shall be the Chairman at the Annual General Meeting, and the Chairman shall be the Chairman at an **Extraordinary General Meeting**. The Chairman shall have a casting vote at any of the above meetings.
 - (ii) A majority of members of the Society or of the Executive Committee may request the Chairman to call an Extraordinary General Meeting, but the purpose of such meeting shall be communicated to the Chairman before the calling of such a meeting.
- (b) **Notice of Meetings**

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- (i) Notices for the Annual General Meeting to be advertised in a newspaper circulating in the Society's area of operations, at least 14 (fourteen) days prior to the date of the Annual General Meeting, in both English and Afrikaans; and written notice be sent to all members entitled to attend and vote at least 7 (seven) days before the date of such meeting, but the non-receipt of such notice by any member shall not invalidate the proceedings at the meeting.
- (ii) The Honorary Secretary shall give notice in writing to members of the Executive Committee not less than 4 (four) or more than 7 (seven) days before the day fixed for a meeting of the Executive Committee.

The Honorary Secretary shall give 14 (fourteen) days notice for the calling of an **Extraordinary General Meeting**.

(c) Business to be transacted at an Annual General Meeting

- (i) to adopt the Minutes of the previous Annual General Meeting;
- (ii) to receive and consider the Annual Report of the Executive Committee on the affairs of the Society, together with the duly audited Balance Sheet and Income and Expenditure Account for the preceding year;
- (iii) the Chairman of the Society shall be elected annually at the Annual General Meeting;
- (iv) to elect the members of the Executive Committee;
- (v) to deal with any business within the competence of the meeting;
- (vi) to appoint an Auditor who may not be a member of the Executive Committee.

(d) Extraordinary General Meeting

- (i) an Extraordinary General Meeting may be called by the Executive Committee at any time;
- (ii) the Executive Committee shall call an Extraordinary General Meeting upon receipt of a requisition signed by at least 30 (thirty) members and such requisition must specify the object for which the meeting is desired;
- (iii) the notice calling an Extraordinary General Meeting must state the object for which the meeting is called and **no other business may be transacted at that meeting**. The notification procedure to be followed is the one as laid down for an Annual General Meeting.

9. QUORUM

- (a) Six members shall constitute a quorum at any General Meeting except an Extraordinary General Meeting where the **quorum shall be 30 (thirty)**.

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- (h) If at any meeting the Chairman and Vice-Chairman are not present at the time appointed for holding the meeting, the Members of the Executive Committee present shall elect one of their number to act as Chairman for the duration of such meetings.
- (i) The Executive Committee shall be empowered to appoint such sub-committees as it may consider necessary for the better carrying out of its functions. The Chairman or Vice-Chairman shall be a member of all sub-committees, *ex officio*.
- (j) The Executive Committee shall conduct the day to day business of the Society and deal with urgent problems which may arise.

11. POWERS OF THE EXECUTIVE COMMITTEE

Without impairing the authority in any way from the generality of the powers conferred upon it by Clause (g) hereof, the Executive Committee may:

- (a) Appoint and at its discretion, remove or suspend such attorneys, agents, secretaries, officers, clerks and servants as it may consider expedient and determine their duties and fix and vary their salaries and emoluments and *honoraria* (if any) and require security in such instances and to such amounts as thought fit;
- (b) Appoint one or more Trustees (who need not be members of the Society) to administer any funds or assets of the Society on such terms as may be thought fit and define and determine the conditions of such appointment and to terminate any such appointments;—
- (c) Institute, conduct, defend, compound or abandon any legal proceedings by or against the Society or its Officers or otherwise concerning the affairs of the Society, to compound and allow time for payment of satisfaction of any debts due and of any claims or demands by or against the Society;
- (d) Invest and deal with any monies of the Society upon such securities and on such terms as it may think fit, and from time to time, vary or realize such investments;
- (e) Acquire by purchase, donation, lease, exchange or by any other means, any immovable property calculated to benefit and to advance the Society's objects; construct or cause to be constructed any buildings or structures for the attainment of the objects of the Society, and to sell or otherwise dispose of any such property;
- (f) Make, alter or rescind regulations and rules for the efficient control of the Society, its members and employees, provided the rules, alterations thereto or rescissions thereof so made, shall not be in conflict with this Constitution;
- (g) Carry out and give effect to all resolutions of the members at an Annual General Meeting and where no special direction is given as to the execution of any resolution, carry it out in such a manner and form as the Executive Committee may in its discretion think fit;
- (h) Do all such other acts as may be necessary or desirable in the attainment of the objects of the Society or any of them;

- (i) Borrow money for use in the furtherance of its objects, mortgage any property owned by the Society and perform any such acts as may be necessary to give effective security for the repayments of such loans;
- (j) Open one or more banking accounts in the name of the Society and operate the same and draw, endorse, make or execute bills of exchange, promissory notes, cheques and other negotiable instruments connected with the business of the Society, provided that such bills of exchange, cheques and other negotiable instruments shall be signed by at least two (2) of the three (3) persons duly authorized thereto by the Executive Committee, all of whom shall at all times be members of the Executive Committee. All payments of R100 or more must be made by cheque.

12. FINANCE AND ADMINISTRATION OF FUNDS

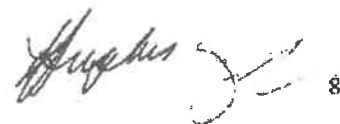
The Income and Property of the Society from whatever source derived, shall be applied solely towards the promotion of the objects of the Society as set forth in this Constitution and Rules. No portion thereof shall be paid or transferred directly by way of dividend or bonus or otherwise by way of profit, to persons who at the time, are, or have been, members of the Society, or to any person claiming through any of them, provided that nothing herein shall prevent the payment in good faith of remuneration to any Officers or other Servants of the Society or other person in return for any services rendered to the Society. Such payment must be a reasonable amount for the work that has been done. A member/office-bearer of the Society can only get money back from the Society for expenses that he/she has paid for/or on behalf of the Society.

(a) Banking

All monies of the Society shall be lodged in registered Commercial Bank. All payments of R100-00 (one hundred Rand) or more must be made by cheque, signed by at least two of the three authorized members of the Executive Committee. Any payments made from a Petty Cash float which the Executive Committee has agreed upon, are not included in this provision.

(b) Books, Accounts and Records

- (i) A register of members shall be kept in such a form as determined by the Executive Committee, provided that it complies with any relevant legislation.
- (ii) The Executive Committee shall cause proper books to be kept in which a true and satisfactory account of all transactions shall be recorded. It will be the treasurer's job to control the day-to-day finances of the Society and also to keep proper records of all the finances.
- (iii) A receipt shall be given for all monies received and they shall be deposited to the credit of the Society in a banking account.
- (iv) The Auditor appointed at the Annual General Meeting shall have access at all times, to the books and accounts of the Society and shall certify the financial statement based thereon.

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- (v) In all respects, accounting records shall comply with the relevant provisions of the Fund-Raising Act No. 107 of 1978 or the Nonprofit Organisations Act No. 71 of 1997, whichever is applicable.
- (vi) The financial year of the Society shall end on the last day of March in each year.

13. LEGAL PROCEEDINGS

All legal proceedings instituted by or brought against the Society shall be in the name of the Chairman for the time being of the Society and the *domicilium citandi et executandi* of the Society shall be the address of the Society as registered in terms of the Nonprofit Organisations Act of 1997.

14. PROPERTY

The Society shall have the right to acquire by way of purchase, donation, exchange or otherwise, movable or immovable property. The immovable property of the Society shall be vested in a Board of Trustees, consisting of three (3) members of the Society, to be elected at the Annual General Meeting or at an Extraordinary General Meeting of the Society. The Trustees shall not have the power to deal with the immovable property of the Society in any way without the authority of a resolution by the Executive Committee.

The movable property of the Society shall be vested in the Executive Committee.

Members or office-bearers of the Society have no rights in the property or other assets of the Society.

15. WINDING UP OR DISSOLUTION

The Society may close down if at least two-thirds of the members present and voting at a meeting convened for the purpose of considering such matter are in favour of closing down.

If, upon winding up the Society, there remains after satisfaction of all its debts and liabilities, any property, movable or immovable, the same shall not be paid to or distributed among the members of the Society or any other private person, but the Executive Committee, with the concurrence of the Trustees, shall have the right to deliver or transfer the same to any Institution, Body or Society, which, in the opinion of the Executive Committee, will carry on the objects of the Society in the Stellenbosch and Stellenbosch District area and which is/are authorised in terms of the Fund-Raising Act of 1978 or the Nonprofit Organisations Act No. 71 of 1997, whichever is applicable, to collect contributions.

Failing any such Institution, Body or Society being available, such property may, at the discretion of the Executive Committee or the Trustees, be transferred to another nonprofit organization that has similar objectives.



16. AMENDMENTS TO THE CONSTITUTION AND RULES

No amendments to the Constitution and Rules shall be adopted until it has been approved by two-thirds of the Members present and voting at any Annual General or Extraordinary General Meeting of the Society.

The proposed amendments shall be incorporated in the notice of such a meeting.

17. INDEMNITY CLAUSE

The Members of the Executive Committee and any or all duly appointed officers of the Society shall be and are hereby jointly and severally indemnified out of and from the funds and property of the Society against any loss or liability or damage resulting from the lawful execution of their respective duties provided that such loss or liability or damage shall not have been occasioned by *mala fides* in any act of commission or omission or in willful default or neglect of the authority vested in them.

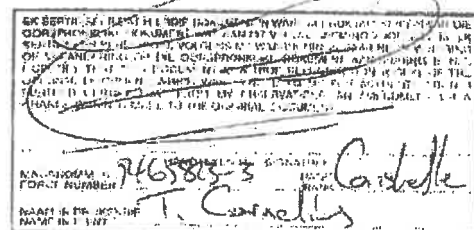
18. INTERPRETATION

The Executive Committee shall in its sole discretion, interpret the meaning and effect of any of the provisions of the Constitution and its decision thereupon shall be final and binding upon all concerned. In the interpretation of any clauses of the Constitution the meaning shall not be restricted by reference to any other clause or by the juxtaposition of two or more clauses. In the event of any ambiguity, the interpretation placed thereon shall be considered in such a way as to widen and not to restrict the powers of the Society.

In this Constitution, words importing the singular shall include the plural and vice versa; words importing the masculine shall include the feminine.

Sign: _____
Chairman

Sign: _____
As Witness





Animal Welfare Society Stellenbosch

Tel: +27 (0)21 886 4901

www.awss.co.za

Email: fundraiser@awss.co.za

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Stellenbosch

7599

Devon Valley Road

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Non-Profit Organisation: 003-316 NPO

PBO 930 019 431

Donations are tax deductible

Animal Welfare Society Stellenbosch

Mission Statement

"We recognise animals as living beings with the right to a good quality life".

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1. Introduction – The Animal Welfare Society Stellenbosch (AWSS)

The Animal Welfare Society of Stellenbosch, operates in accordance with the Stellenbosch Municipal By-Laws, and National legislation concerning the care and protection of animals in South Africa including:

- The Societies for the Prevention of Cruelty to Animals Act, 1993 (Act 169 of 1993);
- Animal Protection Act, 1962 (Act 71 of 1962);
- Performing Animals Protection Act, 1935 (Act 24 of 1935);
- The Animal Diseases Act, 1984 (Act 35 of 1984) and
- Veterinary and Para-Veterinary Professions Act, 1982 (Act 19 of 1982).

This also includes Schedule 5B of the Constitution of the Republic of South Africa, (1996) which officially instructs Municipalities to provide for a Pound and for:

1. Care
2. Accommodation
3. Burial of animals

As a nonprofit organisation, we rely on the generosity and support of the Stellenbosch Municipality, our donors, supporters, and the community. AWSS provides these mandated functions for the community of Stellenbosch at a minimal cost and hereby applies for funding for the year 2021/22:

- **50% of operating costs**
Reference: attachment A, Audited Financials

ADDITIONAL SERVICES

PREVIOUSLY PAID FOR SEPERATELY AND NOT INCLUDED IN GRANT FUNDS

- **Removal, Euthanasia and Disposal**
50 x Non-Aggressive Dogs @ R350 = R17 500.00
50 x Aggressive Dogs @ R400 = R20 000.00
Reference: attachment B, Invoice

Our organisation has been operating and serving the Stellenbosch community for 65 years starting in 1956, performing services according to Stellenbosch By-Laws of 26 October 1984 (page 3828 to 3831) and 12 January 2009 (amendment).

Due to the 80% community population growth since 2011 and a consequent population explosion of animals the role of the Stellenbosch Municipality is apparent.

2. Background

The Animal Welfare Society Stellenbosch was founded in 1956 with the donation of a van and the support of the Stellenbosch Animal Hospital. Our organisation is a non-government, autonomous and independent not-for-profit organisation for the welfare of animals. AWSS is member-based, independent of government and industry.

Over the past 65 years we have persistently carried out our mission to recognise animals as living beings with the right to a good quality life. We have achieved this through veterinary care, Inspectorate (enforcing the law), education, and running a Kennel, Cattery, and a successful Adoption programme, which every year places hundreds of animals in apt and loving homes.

The Society aims to serve the community of Stellenbosch and surrounds by taking care of the community's unwanted, mistreated, and neglected pets. We also advocate and promote the sterilisation of cats and dogs to curb unwanted breeding in an already overpopulated pet community. In addition, we dip, vaccinate, deworm and treat illnesses of animals. Education of the local communities as a preventative measure is also a main priority for the Society.

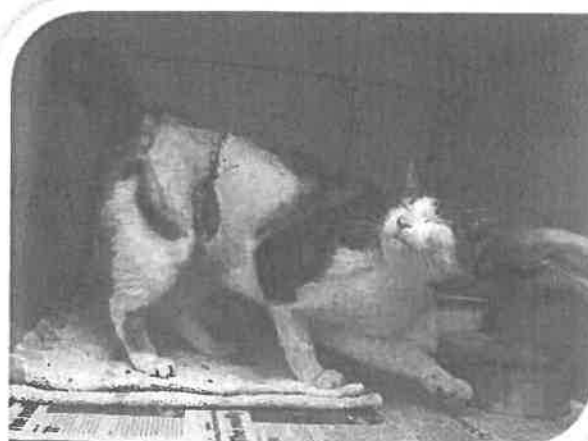
The Society's focus covers five crucial facets:

- The Clinic treats sick and injured animals brought to the AWSS either by the public or the Inspectorate. The Clinic is led by our Vet, Veterinary Nurse, and a team of dedicated animal welfare assistants. No animal is ever turned away or refused treatment.
- The animal rescue, shelter, rehabilitation, and adoption facility cares for stray, surrendered, abandoned and rescued cats and dogs. Our aim is to reunite stray animals through our Lost and Found service and to find loving forever homes for the surrendered and rescued animals.
- Every visit by AWSS to one of the many indigent areas serviced by us is also used as an opportunity to educate pet owners about responsible ownership and the benefits of having their pets sterilised.
- The AWSS Inspectorate investigates reports of animal cruelty, abuse, and neglect. All reports are attended to within 24 hours of receiving the complaint. AWSS Inspectors rescue abused animals and ensure enforcement of existing animal protection legislation & advancement of such legislation.
- The Communications and Fundraising Department communicates the AWSS message and ensures our vision and mission is not blurred. We have embedded the value of fundraising across the organisation, ensuring the Society's sustainability and lifting our organisations capacity and expertise to help more animals.

3. Clinic

Our Clinic, open daily provides sterilisation, primary health care and medical treatment to the many clients who need our services. The Clinic can accommodate up to 30 animals at any one time. In 2020/2021 our clinic sterilised 1 642 animals, carried out 3 691 vaccinations and performed numerous other life-saving operations.

The Clinic also contributes to the success of the Sterilisation Campaigns carried out annually.





4. Shelter, Rescue and Rehabilitation

The Shelter, Rescue and Rehabilitation project cares for stray, surrendered and rescued cats and dogs. Our aim is to reunite stray animals through our Lost and Found service and to find loving forever homes for the surrendered and rescued animals.

In 2020/21, 1 180 animals were adopted and 42 reunited with their owners. Unfortunately, each month this task becomes more daunting as the influx of surrendered and stray animals is ever increasing.

The shelter is running at full capacity with 119 dogs in kennels and 97 cats in the cattery. Despite this, we continue to pride ourselves on the spacious enclosures we provide our animals and the devoted and compassionate care each animal receives.

5. Inspectorate

The inspectorate responded to 5 728 call outs during 2020/21.

The Inspectors role is all encompassing and includes the collection of neglected and abused animals; confiscation of animals that are either illegally chained or in poor condition; collection of stray animals and animals surrendered by their owners; and carry out inspections and erect cat "traps" for feral cats.

AWSS aims to investigate any complaint within 24 hours of receiving it. Our inspectors educate owners on the correct care of their animals and follows-up on cases to further the owner's education. In the cases of blatant abuse or wilful neglect, the AWSS will confiscate the animal and lay criminal charges against the owner or responsible party.



6. Education Programme

AWSS believes that humane education is a crucial component of the work we do. By educating pet owners we hope they will develop an attitude of compassion, respect and understanding for all animals.

The bulk of cruelty and neglect cases we investigate are as a direct result of ignorance and lack of education. With consistent education and outreach initiatives the offender can be educated / rehabilitated and in time become a responsible pet owner.

AWSS provides education to communities, as well as to schools, farm labourers and potential pet owners.

7. Outreach Clinics

Every Wednesday our Inspector and Clinic team visit the surrounding communities providing primary veterinary healthcare. AWSS currently has one animal ambulance that can transport 10 animals. Animals seen at a clinic will be treated for primary health care related conditions such as parasite (flea and tick) control, including dipping, deworming and vaccinations.

Sterilisation is a surgical procedure and can only be done at the onsite clinic in Devon Valley. Animals are booked and collected for sterilisation at the Outreach clinics. Each animal will spend at least one night with AWSS before being returned to their owner.

A total of 1 532 animals were vaccinated and 678 animals were sterilised via our Outreach Clinics in 2020/21. To illustrate at a parochial level, it is no mere co-incidence that over the past year, we have noted a decline in animal euthanasia's, a general improvement in the well-being and welfare of especially cats and dogs in and around Stellenbosch and fewer incidences of animal to human transmitted diseases (cases of zoonoses).

There is no charge for the services offered at the Outreach Clinic. AWSS gives back more than R300 000.00 in free services per year to our community. Grants and donations fuel the largest part of community programs.



8. Mass Sterilisation Campaigns

Pet over-population is a chronic, serious issue in the Western Cape, in particular the impoverished communities. Lack of resources, specifically funding and owner reluctance has resulted in uncontrolled rampant over-breeding and an avoidable increase of disease, neglect and often abuse of dogs in these areas.

According to Stats SA (2011), 13.6% of households in 2011 lived in informal settlements/dwellings (shacks) in South Africa (total population was about 48 million). In Stellenbosch alone, about 155,730 people live in informal settlements. These numbers are growing daily. Residents living in these informal settlements live in conditions of deprivation and poverty and the animals found in these areas often bear testimony to this. These communities have limited access to transport and are mostly unemployed. They battle to provide the basic human needs for themselves, let alone the animals found roaming and inhabiting these areas.

The Animal Welfare Society Stellenbosch, believe that pet over-population and the ensuing neglect, abuse, surrenders to animal shelters and subsequent euthanasia, are preventable problems with a rational solution. In addition to saving lives, sterilisation can substantially decrease the number of disease ridden, neglected, emaciated, and abused animals and also reduce the extraordinary costs animal shelters, municipalities, and the public carry due to addressing these animal welfare problems.

We are being proactive and recognising the cause rather than the symptoms of the dire state of dogs in Stellenbosch by funding and implementing sterilisation and humane education campaigns. We are of the opinion that ongoing Mass Animal Sterilisation Campaigns will over the longer term be the solution to the problem and offer some relief to other welfare organisations as well.



The 5-point outreach protocol of pet sterilisation, vaccination, dipping, deworming and humane education provides a major benefit to the human community reducing the transfer of shared diseases (zoonosis). We are virtually eliminating the risk of rabies, scabies, ringworm and leptospirosis and the transfer of intestinal worms which is a threat to especially children, impairing their mental capacity. The effect of zoonosis is a reality which we observe in our township outreaches. The children are often visibly affected by parasites and infection. It is no exaggeration to say that this work is a great benefit to community health.

9. Sustainability



The AWSS has put various measures in place to help maintain the sustainability of our programmes and services.

DOG BOX CHARITY SHOP

This initiative involves the collection of second-hand goods from the public and donors, which is then sold at competitive prices from our Dog Box Charity Shop. The shop makes use of volunteers to help sort donations and attend to customers, allowing 100% of proceeds to go directly towards the care of the animals.

RETAIL OUTLET

AWSS has a fully operational retail store in our office block where we sell pet food, beds, blankets, toys and basic over the counter medications to pet owners.

CLINIC

Our clinic will never refuse treatment to any animal; however, we do ask for a nominal treatment co-payment to promote responsibility. Fees are determined by using a sliding scale based on owner's household income.

FUNDRAISING

AWSS hosts various events throughout the year, places collection tins in local businesses and holds many online campaigns to further increase our fundraising.

ONLINE SHOP

Our website has various branded items for supporters to purchase as well as donation platforms.

10. Monitoring and Evaluation

The organisation is evaluated and monitored through several mechanisms. Department managers produce records for each animal treated and gather statistics on usage of the facilities. Specific services will be tabulated, such as:

- Number of arrivals (sign off / stray)
- Number of animals reclaimed
- Number of animals adopted
- Number of animals euthanised
- Number of animals sterilised
- Number of animals treated in clinic (consults)
- Number of cruelty cases investigated

These animal statistics are collected and tabulated monthly and analysed to ensure that usage of the shelter is maximised and where numbers drop off, action is taken to determine the reasons and acted upon.

Reference: attachment B, STATISTICS 2020/21



Animal Welfare Society Stellenbosch

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PBO 930 019 431

Donations are tax deductible

Animal Welfare Society Stellenbosch 2021/22 Business Plan

Mission Statement

"We recognise animals as living beings with the right to a good quality life".

1. Executive Summary

The Animal Welfare Society Stellenbosch was founded in 1956 with the donation of a van and the support of the Stellenbosch Animal Hospital. Our organisation is a non-government, autonomous and independent not-for-profit organisation for the welfare of animals. AWSS is member-based, independent of government and industry.

The Society aims to serve the community of Stellenbosch and greater Stellenbosch by taking care of the community's unwanted, mistreated and neglected pets. We also advocate and promote the sterilisation of cats and dogs to curb unwanted breeding in an already overpopulated pet community. In addition we provide sterilisation, vaccinations, parasite control and primary veterinary healthcare. In total we cover an area of 900sqm including Kayamandi, Cloeteville, Jamestown, Idasvalley, Klipmuts, Raithby, Kylemore, Lynchedoch, Stellenbosch central and surrounding farms. Humane education is also a key priority for the Society.

2. Services

The AWSS is passionate about the welfare of cats and dogs, we aim to never turn away a cat or dog in need of our help, caring for them until their owners or forever homes can be found. We are champions for, and protectors of vulnerable cats and dogs, determined to create lasting changes for the animals in our Society.

KENNELS & CATTERY RESCUE, REHABILITATION & REHOMING

Our goal this year is to place 1 300 animals in permanent homes, a 10% increase from last year. In addition to promoting animals through our website and social media channels, the main way for potential adopters to meet and adopt our animals is by visiting the shelter, Kennels and Cattery are open 365 days a year from 10am – 3pm.

While our goal is to get as many pets into homes as possible, we want to keep them there for the remainder of the pets' lives. To that end, AWSS has developed resources to help pet owners resolve the most common behaviour issues. We provide an information pack for all adoption clients and have a certified animal behaviour expert onsite.

COMMUNITY OUTREACH CLINICS

HEALTHY PETS = HEALTHY COMMUNITIES

The Community Outreach Clinics connects pet owners with services to keep their pets happy and healthy. We provide vaccinations, sterilisation, parasite control, pet food parcels and humane education.

At AWSS we believe one's financial status alone is not a reliable indicator of a person's ability to love and care for a pet, and strong bonds between people and their pets make for happier communities.

Sadly, the pandemic has resulted in more pet owners relying on our service – illness, poverty, loss of income and housing can result in even the most devoted pet owners having to surrender their beloved pet to the AWSS. For this reason, we hope to further increase the number of Community Outreach Clinics to keep pets and owners together which is most often the best outcome for everyone involved.

HUMANE EDUCATION

The goal is to reach as many young children as possible to stop the cycle of animal abuse and overpopulation.

There is a large volume of literature documenting the positive social impact of humane education programs in all aspects of life. The concurrence of animal cruelty with other forms of violence compounds the harms connected with it. The link between the physical abuse of animals and violence should prompt police and law enforcement officials to look for other forms of neglect, drug abuse or gang violence.

Several dog breeds are displayed as status symbols, especially amongst adolescents and aspiring gang members. It is an undeniable fact that backyard breeding, illegal trading of animals and dog fighting is rife. Our inspectors are witness to this daily and without humane education the cycle of abuse will continue. The underlying conditions that allow for animal cruelty to occur (deprivation, aggression, gang violence, drug, and alcohol abuse) echo the risk factors for social violence. To generalise and presume that those who carry out abuse to animals will result in physical violence would be unjust; however, being vigilant about the potential concurrence of different forms of

violence, abuse and neglect is only prudent.

It boils down to a simple concept: If children learn to treat animals well, they are more apt to treat people well.

THE MAXWELL VETERINARY CLINIC

Last year, we noted a decline in animal euthanasias, a general improvement in the well-being and welfare of especially cats and dogs in and around Stellenbosch and fewer incidences of animal to human transmitted diseases (cases of zoonoses).

The key contributing factor for this decline is the increase in sterilisation and pet vaccinations.

Looking to the year ahead, the focus remains on the sterilisation of cats and dogs, preventative vaccination against common diseases and the treatment of external and internal parasitic conditions.

MASS STERILISATION CAMPAIGNS

The Animal Welfare Society Stellenbosch, believes that pet over-population and the ensuing neglect, abuse, surrenders to animal shelters and subsequent euthanasia, are preventable problems with a rational solution. In addition to saving lives, sterilisation can substantially decrease the number of disease ridden, neglected, emaciated and abused animals and also reduce the extraordinary costs animal shelters, municipalities, and the public carry due to addressing these animal welfare problems.

We are being proactive and recognising the cause rather than the symptoms of the dire state of cats and dogs in Stellenbosch by funding and implementing sterilisation and humane education campaigns.

We are of the opinion that ongoing Mass Animal Sterilisation Campaigns will over the longer term be the solution to the problem and offer some relief to other welfare organisations as well.

To continue efforts at regularising the pet population throughout Stellenbosch the Animal Welfare Society of Stellenbosch is appealing to the Stellenbosch Municipality to contribute towards the funding and resources it takes to complete a successful Mass Sterilisation Campaign.

In order to achieve negligible pet population growth in any nominated area, at least 70% of all intact animals need to be sterilised within a six-month time frame which represents one breeding cycle. This was achieved in 2012 during the Mass Sterilisation Pilot Project in Kayamandi.

The primary focus of the projects will be mass pet sterilisation but it should also be a concerted, co-operative effort between the Animal Welfare Society of Stellenbosch, the Stellenbosch Municipality, the Western Cape Department of Agriculture, and the beneficiary community, to the benefit of all involved.

INSPECTORATE & HUMANE EDUCATION

Since 1956, we have been caring for animals in need. Yet last financial year, our inspectors received over 5 700 calls – an average of 15 calls per day.

We know that education is our most powerful tool to reduce animal suffering.

How do we work together to prevent cruelty to animals? We educate, engage, and empower communities.

SUSTAINABILITY PLAN

We raise most of our funds at AWSS with a diverse fundraising strategy that includes:

- Income generation through clinic, adoption and retail outlet
- Submitting proposals to local and international donors
- Sending appeals to local trusts and foundations
- Submitting grant applications and tenders to Municipal departments
- Sale of second-hand goods in our Dog Box Charity Shop
- Dream Builders Bequest Society

We do constant prospect research aimed at increasing our pool of donors and host events that are designed to showcase our work in order to attract potential social investors and development partners.

As an organisation we have a hands-on Executive Committee that meets monthly and discusses plans and procedures that includes costing, budgeting and tight financial monitoring and control. We employ the services of an accounting practice to assist us with regular independent reviews of our financial systems and we review our auditors every five years using the services of auditors that specialise in the non-profit sector.

As the oldest organisation dealing with animal welfare in the Stellenbosch and surrounding areas, our objectives are clear, and our reputation is strong.

Additional fundraising initiatives include:

- A multimedia fundraising campaign called 1000 Life Changers.
- In kind donations from professionals donating their expertise
- Fundraising and marketing campaigns and events
- Online fundraising campaign called AWSS Feeding Calendar where supporters donate monthly towards feeding our animals for a day. In return they receive acknowledgment on our social media platforms.

Our projects are relevant, people recognise the need for our services, it is not difficult for us to obtain commitment from stakeholders when we embark on campaigns and we stay in touch with current trends to harmonise our efforts with others in the sector. Our Executive Committee, management, staff, and volunteer teams demonstrate high levels of commitment and share the mission and values of the Society.

Our projects are designed to develop the communities we serve and are dedicated to bringing about reforms to the animal legislation as well as to improving the implementation of the animal's protection act.

UPCOMING SPECIAL PROJECTS

RETAIL CENTRE

For many decades of its existence AWSS was 100% reliant on funding from generous corporates, trusts, municipal grant, and individual donors. With the ever-increasing demands for our services and the unstable economy, securing funds became increasingly difficult. In 2015 the AWSS embarked on a journey to look at innovative ways in which it could generate and grow revenue streams - a charity shop and small retail outlet was decided as it would raise much needed funds for the society but also benefit the surrounding communities.

Now in its sixth year the Dog Box Charity Shop and Retail Outlet has expanded to such an extent that the use of the reception area and shipping containers is no longer effective. For this reason, we have committed to building a fully equipped retail centre.

In Stellenbosch alone, about 155,730 people live in informal settlements. These numbers are growing daily. Residents living in these informal settlements live in conditions of deprivation and poverty and the animals found in these areas often bear testimony to this. These communities have limited access to transport and are mostly unemployed. They battle to provide the basic human needs for themselves, let alone the animals found roaming and inhabiting these areas.

The health and well-being of animals are integrally linked to the health and well-being of our own human society and for this reason the AWSS has committed to not only serving the animals in our communities but the community members too. The Retail Centre will not only raise much needed funds for the animals we serve but will also provide community members the opportunity to purchase quality second-hand goods at an affordable price, the Retail Centre will provide significant benefits to residents through opportunities for volunteering and employment.

Our goal this year is to hold one major event bringing in R1 000 000.00 in total. We will reach out to local businesses to partner with us on the event as well as garner community support.

CONCLUSION

Although we are relatively small, we believe that collectively we have the experience, knowledge, and diversity to allow AWSS to grow and flourish. While we are mindful of not overextending ourselves, we are looking forward to expanding in the future and we hope that the Stellenbosch Municipality will partner with us and share our Vision.

For more information contact: Jessica Perrins jessica@awss.co.za



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

CREDITOR CONTROL FORM / KREDITEURE KONTROLE VORM

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		POSKODE/POST CODE	7600
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CONTACT PERSON/ KONTAKPERSOON	Lorna Lucie Hughes		
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BANK:	Nedbank		
ACCOUNT NO. / REK NR.	149 804 2856		
BRANCH CODE/TAKKODE	149 821		
BANK ACCOUNT NAME	Animal Welfare Society Stellenbosch		
BANKREKENING NAAM			



ACCOUNT TYPE / TIPE REK	CHEQUE/TJEK ☒	SAVINGS/SPAAR ☐	TRANSM ☐
VAT REGISTERED / BTW GEREISTREER	YES/JA ☐	NO/NEE ☒	VAT/BTW NO ☐

SIGNATURE / HANDTEKENING

OFFICE USE/KANTOORGEBRUIK	
KREDITEUR NR / CREDI NO	
Create a new creditor/Skep van nuwe Krediteur	
Changing of creditors details/Verandering op Krediteurintligting	
Deleting of creditor/Uitwis van Krediteur	
AANGEVRA DEUR- REQUESTED BY:	DATE/DATUM
DEPARTEMENT DEPARTMENT:	
MOTIVATION MOTIVERING:	
ENTERED BY INGEVOER DEUR:	DATE/DATUM
CHECKED BY GEKONTROLEER DEUR:	DATE/DATUM

G.P.-S. 021-GL06



CERTIFICATE OF REGISTRATION OF NONPROFIT ORGANISATION

In terms of the Nonprofit Organisations Act, 1997, I am satisfied that
The Animal Welfare Society Of South Africa: Stellenbosch
.....
(name of the nonprofit organisation)

meets the requirements for registration.

The organisation's name was entered into the register on **24 January 2001**
(date)

Registration number

003-316 NPO

Director's signature

G. Smith

Date **24 January 2001**

Department of Social
Development



NO: 42025



Facsimile Transmission

Tax Exemption Unit

South African Revenue Service
Suid-Afrikaanse Inkomstediens
Uphloko lwezimali Ezingonyo eNingizimu Afrika
Tirelomatlotle ya Afrika-Borwa

1250 Pretorius Street, Hatfield, 0028
P O Box 11955, Hatfield, 0028
SARS online: www.sars.gov.za
Telephone (012) 422 8800
Fax (012) 422 8830

TO GENERAL MANAGER
COMPANY
TEL NUMBER 086545 7993
FAX NUMBER 086 545 7983
PAGE COUNT WITH COVER 3
SUBJECT INCOME TAX EXEMPTION: ANIMAL WELFARE SOCIETY OF SA STELLENBOSCH

FROM Cheryl Tanga
REFERENCE 901 8103 185
TEL NUMBER (012) 422 8824
FAX NUMBER (012) 422 8830
DATE 29/07/2010

Adams

PERSONAL NUMBER 54186025 RANK *1st Lt*
NAME *Pynter Adams*

SOUTH AFRICAN POLICE SERVICE
CLOETESVILLE
COMMUNITY SERVICE CENTRE
15 FEB 2019
GEMEENSKAPDIENSTSENTRUM
CLOETESVILLE
SUID-AFRIKAANSE POLISDIENST

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Room
M11

Reference #
RG/0055/04/08

PBO File No. #
930 018 431

Date
26 April 2008

The Chairperson
Animal Welfare Society of SA Stellenbosch
PO Box 90
STELLENBOSCH
7599

South African Revenue Service

SARS: TEU
Pro-Equity Court
1250 Pretorius Street
Hatfield, 0028

PO Box 11955
Hatfield, 0028

Switchboard: (012) 422 8800
SARS online: www.sars.gov.za
E-mail: teu@sars.gov.za

*Please quote our reference numbers in
your correspondence with TEU.

Dear Sir

**APPROVAL IN TERMS OF SECTION 18A: ANIMAL WELFARE
SOCIETY OF SOUTH AFRICA: STELLENBOSCH**

We write with reference to your application for approval in terms of section
18A(1)(a) of the Income Tax Act.

1. It is confirmed that:-

- 1.1 the public benefit organisation has been approved for purposes of
section 18A(1)(a) of the Act and donations to the organisation will be
tax deductible in the hands of the donors in terms of and subject to the
limitations prescribed in section 13A of the Act;

2. The following information must be given on the tax deductible receipts issued:

- 2.1 the reference number of the public benefit organisation, issued by the
Commissioner for the purposes of this section; (The reference number
quoted on this letter.)

- 2.2 the date of the receipt of the donation.



2/

52451 63-10-0102

-2-

2.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;

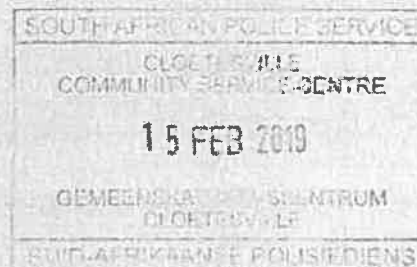
2.4 the name and address of the donor;

2.5 the amount of the donation or the nature of the donation (if not made in cash); and

2.6 a certification to the effect that the receipt is issued for the purposes of section 18A of the Income Tax Act, 1962, and that the donation has been or will be used exclusively for the object of the public benefit organisation concerned.

Sincerely

RM Gomes
Mrs. RM Gomes
Tax Exemption Analyst
for THE COMMISSIONER SOUTH AFRICAN REVENUE SERVICE





TAX COMPLIANCE STATUS

PIN Issued

ANIMAL WELFARE SOCIETY OF SA
DEVON VALLEY ROAD
STELLENBOSCH
7599

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 7740701091

Always quote this reference
number when contacting SARS

Issue Date: 2021/04/14

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Animal Welfare Society Of Sa
Trading Name	ANIMAL WELFARE SOCIETY OF SA
Tax Reference Number(s)	PAYE - 7740701091
Purpose of Request	Good Standing
Request Reference Number	0016990480GS1404211315110
PIN	35426961D2
PIN Expiry Date	14/04/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely

ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE



ANIMAL WELFARE SOCIETY STELLENBOSCH
BUDGET PROJECTIONS 1 APRIL 2020 - 31 MARCH 2022

		31-Mar-20	31-Mar-21	31-Mar-22
INCOME				
	INCOME Clinic	R 752,680.50	R 827,948.55	R 910,743.41
	INCOME Cattery- Adoptions	R 186,340.00	R 204,974.00	R 225,471.40
	INCOME Kennels – Adoptions	R 264,203.50	R 290,623.85	R 319,686.24
	INCOME Retail – Shop	R 479,160.00	R 527,076.00	R 579,783.60
	INCOME Inspectorate	R 3,993.00	R 4,392.30	R 4,831.53
	DONATIONS (Not Static)	R 519,090.00	R 570,999.00	R 628,098.90
	MUNICIPALITY	R 998,250.00	R 1,098,075.00	R 1,207,882.50
	SAINTS	R 133,100.00	R 146,410.00	R 161,051.00
	FUNDS INCOME & FUNDRAISING	R 998,250.00	R 1,098,075.00	R 1,207,882.50
	BEQUESTS	R 0.00	R 0.00	R 0.00
	COLLECTION TINS	R 6,655.00	R 7,320.50	R 8,052.55
	MEMBERSHIP FEES	R 479.16	R 527.08	R 579.78
	BANK INTEREST	R 5,576.52	R 6,134.17	R 6,747.59
	GROSS INCOME TOTAL	R 4,347,777.68	R 4,782,555.45	R 5,260,810.99
EXPENDITURE				
	Accounting Fees	R 3,686.87	R 4,055.56	R 4,461.11
	Advertising & Promotions	R 5,324.00	R 5,856.40	R 6,442.04
	Bank Charges	R 49,513.20	R 54,464.52	R 59,910.97
	Cleaning & Hygiene	R 119,790.00	R 131,769.00	R 144,945.90
	Cattery - other expenses	R 67,148.95	R 73,863.85	R 81,250.23
	Clinic – Other	R 87,712.90	R 96,484.19	R 106,132.61
	Computer Expenses	R 7,986.00	R 8,784.60	R 9,663.06
	Consumables	R 7,986.00	R 8,784.60	R 9,663.06
	Electricity & Water	R 6,655.00	R 7,320.50	R 8,052.55
	Food Expenses (Cattery, Clinic, Kennels)	R 133,100.00	R 146,410.00	R 161,051.00
	Animal Camp Maintenance - Fenced Grass Area	R 21,029.80	R 23,132.78	R 25,446.06
	General Sundry	R 5,324.00	R 5,856.40	R 6,442.04
	Pest Control	R 11,979.00	R 13,176.90	R 14,494.59
	Kennels - other expenses	R 16,624.19	R 18,286.61	R 20,115.27
	INSURANCE incl. staff	R 55,902.00	R 61,492.20	R 67,641.42
	Vet Medication, Drugs, Body removal.	R 56,687.29	R 62,356.02	R 68,591.62
	Fuel - CL 45303 (Isuzu Animal Ambulance)	R 86,515.00	R 95,166.50	R 104,683.15
	Fuel - CL 33948 (Toyota Animal Ambulance)	R 87,846.00	R 96,630.60	R 106,293.66
	Ambulance (Car) Licences	R 1,464.10	R 1,610.51	R 1,771.56
	Motor Vehicle Security Tracker System	R 12,684.43	R 13,952.87	R 15,348.16
	Ambulance Maintenance	R 38,599.00	R 42,458.90	R 46,704.79
	Printing & Stationery	R 46,585.00	R 51,243.50	R 56,367.85
	Repairs & Maintenance (Buildings & Premises)	R 59,895.00	R 65,884.50	R 72,472.95
	Retail Shop Stock Purchases	R 665,500.00	R 732,050.00	R 805,255.00
	Salaries (Shelter and Vet Clinic) incl. PAYE & UIF	R 2,295,975.00	R 2,525,572.50	R 2,778,129.75
	Security Clinic & Head Office	R 1,450.79	R 1,595.87	R 1,755.46
	Staff Expenses (Training/Team Build/Uniforms)	R 33,807.40	R 37,188.14	R 40,906.95
	Telephone, Internet & Switch Board	R 59,895.00	R 65,884.50	R 72,472.95
	ANNUAL Operational Costs for Shelter TOTAL	R 4,046,665.92	R 4,451,332.51	R 4,896,465.76
	ANNUAL SURPLUS	R 301,111.76	R 331,222.93	R 364,345.23
	Funding required for Operational Costs 50%	R 2,023,332.96	R 2,225,666.26	R 2,448,232.88
	Funding required for sterilisations 100%	R 500,000.00	R 500,000.00	R 500,000.00
	TOTAL FUNDING REQUIRED	R 2,523,332.96	R 2,725,666.26	R 2,948,232.88

No provision has been made for bequests since these are unpredictable

An average of 10% has been added to costs and income

Any increase in R500 "Sterilisation Package" costs will be balanced by decreasing animal 'unspayed' population

Costs for sterilisations are calculated as follows:

Budget 2019/2020 R 500.00/sterilisation

Budget 2020/2021 R 500.00/sterilisation

Budget 2021/2022 R500.00/sterilisation

APRIL 2020 to MARCH 2021

CLINIC

D♀-female dog spay; D♂-male dog spay; C♀-female cat spay; C♂-male cat spay; Proc-procedures; CD-consultation dog; CC-consultation cat; VD-vaccinate dog; VC-vaccinate cat; ED-euthanize dog; EC-euthanize cat;

MONTH	SHELTER WORK / KENNELS											CLINIC / PRIVATE										
	D	D	C	C	PROC	CD	CC	VD	VC	ED	EC	D	D	C	C	PROC	CD	CC	VD	VC	ED	EC
APRIL '20	2	2	1	11	1	10	0	45	44	7	4	1	1	0	0	17	47	7	37	20	25	6
MAY '20	18	19	27	14	5	2	2	70	40	13	21	26	17	21	19	51	102	24	74	55	53	10
JUNE '20	28	17	37	17	10	13	2	124	26	13	15	31	25	26	23	50	100	22	98	60	53	10
JULY '20	22	25	31	21	6	14	1	135	20	18	14	51	28	27	20	42	116	32	99	50	50	6
AUG '20	27	19	11	15	10	22	0	83	16	17	3	50	24	33	19	55	89	31	83	39	30	19
SEPT '20	32	21	7	13	15	21	0	166	15	20	14	29	28	13	7	40	37	31	92	26	48	8
OCT '20	25	18	7	6	16	22	1	178	40	13	23	22	11	11	10	48	127	20	67	25	34	9
NOV '20	29	17	7	0	9	17	1	196	89	26	37	21	15	15	15	34	122	26	104	36	47	7
DEC '20	22	21	10	2	7	12	3	120	91	19	36	14	14	5	0	43	128	33	112	58	48	18
JAN '21	23	16	19	5	8	10	4	119	83	21	9	9	12	3	3	42	117	19	111	51	50	7
FEB '21	21	16	25	11	14	9	4	156	21	33	29	22	11	6	1	47	103	18	101	49	59	8
MAR '21	33	24	32	32	18	33	33	113	75	18	44	14	13	9	9	51	86	20	116	58	27	7
TOTAL	282	215	214	147	119	185	51	1510	560	218	249	290	199	169	126	520	1174	283	1094	527	524	115

MONTH	Total Euthanasia	Total Sterilise	Total Consult	Total Vacc	Operations & small procedures
APRIL '20	42	18	64	146	18
MAY '20	97	161	130	239	56
JUNE '20	91	204	137	308	60
JULY '20	88	225	163	304	48
AUG '20	69	198	142	226	65
SEPT '20	90	150	89	299	55
OCT '20	79	110	170	310	64
NOV '20	117	119	166	425	43
DEC '20	121	88	176	381	50
JAN '21	87	90	150	364	50
FEB '21	129	113	134	327	61
MAR '21	96	166	172	362	69
TOTAL	1106	1642	1693	3691	639

8771

CATS 2020/2021**STATS - DOGS & CATS April 2020 - March 2021**

MONTH	ARRIVALS					DEPARTURES						CLOSING
	STRAY	SIGN OFF	RETURNS	CONFISCATED	TOTAL	RECLAIM	ADOPTED	FOSTER	EUTHE- NASED	DIED ESCAPED	TOTAL	Number of cats
APRIL '20	12	13	10	0	35	0	19	2	5	0	26	90
MAY '20	21	14	11	0	46	2	41	0	27	0	70	66
JUNE '20	12	18	0	0	30	2	24	0	10	0	36	60
JULY '20	22	10	0	0	32	0	35	0	11	0	46	46
AUG '20	23	6	0	0	29	5	12	0	3	3	23	52
SEPT '20	32	45	1	0	78	1	19	0	14	6	40	90
OCT '20	47	58	0	0	105	3	24	0	23	6	56	139
NOV '20	49	35	0	0	84	6	66	4	35	0	111	112
DEC '20	62	25	4	0	91	0	37	21	32	3	98	110
JAN '21	34	50	8	0	92	0	62	20	11	8	101	101
FEB '21	40	49	1	0	90	0	28	49	18	7	102	89
MAR '21	17	3	46	0	66	1	32	15	9	1	58	97
TOTAL	371	326	81	0	778	20	399	111	198	34	762	1052

DOGS 2020/2021

MONTH	ARRIVALS								DEPARTURES							No Dogs @ Kennels
	STRAY	SIGN OFF	RETURNS	Abandoned	OSCARS ARC	FOSTER RETURNS	Surrender	TOTAL	RECLAIM	ADOPTED	FOSTER	EUTHE- NASED	OSCARS ARC	DIED ESCAPE D	TOTAL	
APRIL '20	4	13	0	0	0	30	0	47	0	20	96	1	0	5	122	21
MAY '20	9	73	0	1	0	14	0	97	1	34	24	4	0	1	64	54
JUNE '20	26	100	0	0	0	12	0	138	2	50	27	6	49	0	134	58
JULY '20	20	114	0	1	0	27	0	162	0	56	18	13	46	0	133	87
AUG '20	9	107	0	0	0	3	0	119	2	50	7	12	35	2	108	98
SEPT '20	15	71	9	1	0	0	0	96	6	45	7	9	27	3	97	97
OCT '20	14	81	0	1	0	4	0	100	4	39	5	16	10	0	74	123
NOV '20	9	117	0	1	0	0	0	127	0	42	12	19	24	1	98	152
DEC '20	21	41	0	0	0	1	0	63	2	40	4	12	36	4	98	117
JAN '21	9	92	0	0	0	1	0	102	0	41	7	12	40	0	100	119
FEB '21	11	73	0	1	0	2	0	87	1	37	14	15	10	2	79	127
MAR '21	15	50	0	0	0	3	0	68	4	40	10	11	10	1	76	119
TOTAL	162	932	9	6	0	97	0	1206	22	494	231	130	287	19	1183	1172

APRIL 2020 TO MARCH 2021

INSPECTORATE

MONTH	SHELTER WORK											
	COLLECT SHELTER				COLLECT CLINIC							
	STRAYS		SIGN OFF		SPAYS		TREATMENTS		LAW ENFORCEMENT		PTS	
	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon
APRIL '20	7	9	15	0	1	0	8	17	0	1	6	4
MAY '20	14	7	16	15	10	43	17	31	1	0	8	5
JUNE '20	8	5	33	18	26	16	35	10	1	0	12	10
JULY '20	9	6	53	17	22	12	27	15	1	0	13	12
AUG '20	15	6	38	31	19	32	22	18	0	1	5	6
SEPT '20	19	5	18	19	10	58	20	15	6	4	6	10
OCT '20	12	16	15	21	9	48	24	16	5	1	3	7
NOV '20	6	12	76	8	20	31	19	23	3	0	6	11
DEC '20	9	13	7	15	6	31	16	25	4	0	5	6
JAN '21	6	10	39	0	13	30	16	22	2	0	9	11
FEB '21	6	16	27	5	6	26	19	20	2	0	6	13
MARCH '21	8	11	17	9	2	19	10	11	3	1	3	10
TOTAL	119	116	354	158	144	346	233	223	28	8	82	105
	235		512		490		456		36		187	

MONTH	SHELTER WORK (continue)						
	HOME INSPECTION		TRAPPED		OTHER		TOTAL
	Rudy	Leon	Rudy	Leon	Rudy	Leon	
APRIL '20	0	0	0	0	116	38	222
MAY '20	4	0	0	0	230	77	478
JUNE '20	2	1	4	0	207	44	432
JULY '20	2	5	6	2	247	84	533
AUG '20	9	7	0	0	193	102	504
SEPT '20	13	3	0	0	198	122	526
OCT '20	13	9	2	0	225	133	559
NOV '20	8	4	1	0	207	101	536
DEC '20	10	2	0	0	100	101	350
JAN '21	2	1	0	0	141	83	385
FEB '21	1	3	7	2	194	105	458
MARCH '21	2	3	19	3	240	100	471
TOTAL	66	38	39	7	2298	1090	5454
	104		46		3388		

CRUELTY INVESTIGATIONS

APRIL 2020 TO MARCH 2021

MONTH	COMPLAINTS		WARNINGS ISSUED		CONFISCATED		CONVICT / PROSECUTE		ABANDONED		PENDING		POST INSPECTIONS		TOTAL	GRAND
	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon	Rudy	Leon		TOTAL
APRIL '20	13	4	0	1	3	1	0	0	1	4	0	0	0	0	27	249
MAY '20	10	5	1	1	0	0	0	0	3	1	0	0	0	0	21	499
JUNE '20	11	6	1	2	0	0	0	0	1	0	0	0	0	0	21	453
JULY '20	8	6	0	1	2	0	0	0	2	0	0	0	0	0	19	552
AUG '20	8	11	1	3	3	3	0	0	0	0	0	0	0	0	29	533
SEPT '20	12	10	0	2	0	0	0	0	0	0	0	0	0	0	24	550
OCT '20	9	8	0	3	0	1	0	0	1	0	0	0	0	0	22	581
NOV '20	8	3	0	0	0	0	0	0	1	0	0	0	0	0	12	548
DEC '20	4	2	0	2	0	1	0	0	0	0	0	0	0	0	9	359
JAN '21	11	9	1	0	0	11	0	0	1	0	0	0	0	0	33	418
FEB '21	8	5	0	3	0	0	0	0	0	0	0	0	0	0	16	474
MARCH '21	14	15	3	8	0	1	0	0	0	0	0	0	0	0	41	512
TOTAL	116	84	7	26	8	18	0	0	10	5	0	0	0	0	274	5728
	200		33		26		0		15		0		0			

APRIL 2020 to MARCH 2021

OUTREACH - DOGS

MONTH	PHILL			KIM			Dorothy			Christalle		Elizabeth		John Talley		Olivia Talley		Laurianne		Stephanie		Therese		Michelle		LIVE/DEAD		VICTORIA		SIBBY		KELLY		MAGGIE		CYNTHIA		TOTAL	
	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V	S	V			
APRIL '20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MAY '20	0	0	0	0	1	0	0	24	1	0	7	18	6	1	4	21	0	0	7	22	4	10	7	27	0	0	0	0	5	5	0	0	0	0	0	0	0	0	0
JUNE '20	0	0	0	0	1	0	13	32	1	0	8	19	2	1	5	17	0	0	7	17	1	12	4	0	0	0	0	0	0	4	3	2	0	0	0	0	0	0	
JULY '20	2	1	0	0	0	0	11	3	0	0	4	15	3	2	4	3	1	0	8	14	2	29	7	15	0	0	0	0	0	0	0	5	3	0	0	2	7	5	1
AUG '20	1	1	2	2	1	0	11	72	1	0	2	0	1	0	3	2	0	1	5	9	4	29	5	20	0	0	0	0	0	0	5	3	0	0	2	7	5	1	
SEPT '20	0	0	2	2	0	0	9	36	2	0	4	12	1	0	3	34	0	0	7	34	3	18	5	16	0	0	0	0	0	0	7	18	0	1	1	10	8	2	
OCT '20	0	0	0	0	0	0	12	31	1	1	15	19	2	1	3	13	0	0	7	20	4	17	5	32	0	0	0	0	0	0	0	0	0	0	1	1	0	0	
NOV '20	0	1	0	0	1	1	8	20	1	0	4	4	1	0	4	5	1	0	7	27	5	22	7	4	0	0	1	0	0	0	4	1	0	0	3	1	4	1	
DEC '20	0	0	0	0	0	0	3	14	0	0	2	3	1	1	2	1	0	0	5	25	9	24	6	20	0	0	0	0	0	0	0	0	0	1	1	3	0		
JAN '21	2	1	0	0	0	0	3	4	1	0	9	16	2	2	5	8	0	0	12	28	7	26	5	23	1	1	0	0	0	0	4	7	0	0	1	1	0		
FEB '21	0	0	0	0	0	0	10	28	0	0	6	32	3	2	0	27	0	0	8	20	3	12	1	12	0	0	0	0	1	0	3	7	3	0	0	1	2		
MAR '21	0	1	0	0	1	1	2	17	0	0	1	0	1	2	2	14	2	10	7	25	4	18	1	0	1	1	0	0	0	2	0	0	0	0	0	0	0		
TOTAL	2	4	4	4	4	4	45	231	3	1	50	126	20	12	36	134	4	11	60	136	4	107	33	173	2	2	1	0	1	0	42	52	4	1	20	17	1		

OUTREACH - CATS

Month	April 2020				May 2020				June 2020				July 2020				August 2020				September 2020				October 2020				November 2020				December 2020				TOTAL
	S	V	A	V	S	V	A	V	S	V	A	V	S	V	A	V	S	V	A	V	S	V	A	V	S	V	A	V	S	V	A	V					
APRIL '20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
MAY '20	0	0	0	0	1	5	0	0	28	24	0	0	2	2	0	0	0	1	2	4	2	1	0	0	0	0	0	0	0	0	0	0					
JUNE '20	0	0	0	0	4	11	0	0	2	5	1	0	4	8	0	0	2	2	0	2	1	0	0	0	0	0	0	0	0	0	0	0					
JULY '20	0	0	0	0	0	0	0	0	8	4	2	0	0	4	2	0	0	1	1	0	0	2	0	0	0	0	0	0	0	0	0	0					
AUG '20	0	0	1	0	7	7	0	0	0	0	0	0	5	11	0	0	0	0	0	0	1	2	1	0	0	0	0	1	1	0	0	0					
SEPT '20	0	0	0	0	2	2	0	0	2	1	1	1	2	2	0	0	0	1	0	0	1	2	0	0	0	0	0	0	0	0	0	0					
OCT '20	0	0	0	0	2	5	0	0	1	5	0	0	5	9	0	0	0	6	1	0	0	2	0	0	0	0	0	0	0	0	0	0					
NOV '20	0	0	0	0	1	4	0	0	1	2	0	0	0	0	0	0	2	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0					
DEC '20	0	0	0	0	1	6	0	0	1	2	1	1	2	0	0	0	0	1	2	2	1	2	3	0	0	0	0	0	0	0	0	0					
JAN '21	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
FEB '21	0	0	0	0	0	5	0	0	0	7	0	0	5	0	0	0	0	0	1	0	1	6	4	4	0	0	2	4	1	0	0	0	0				
MAR '21	0	0	0	0	2	5	0	0	1	0	0	0	2	0	0	0	0	1	3	0	0	0	0	0	0	0	0	1	1	0	0	0					
TOTAL	0	0	0	0	5	25	0	0	6	70	30	1	2	30	3	0	0	1	1	3	0	0	0	0	0	0	0	1	1	0	0	0					

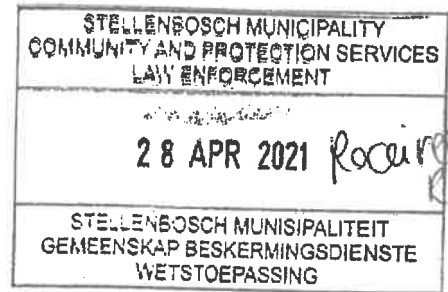
ANNEXURE 3



FRANSCHHOEK

Society for the Prevention of Cruelty to Animals
Incorporated Association not for gain

037-649 NPO



Diere Beskermings Vereniging
Ingelyfde Vereniging sonder winsoogmerk

**Submission to the Stellenbosch Municipality
For grant to the Franschhoek Branch of
The Society for the Prevention of Cruelty to Animals
2021/2022**

OUR COMMITMENT TO A HEALTHIER PET AND HEALTHIER FAMILY

Franschhoek SPCA

P.O. Box 192

Franschhoek

7690

Clinic: 083 745 5344

Chairperson: Michelle Connolly 072 6225 192



Society for the Prevention of Cruelty to Animals
Incorporated Association not for gain

FRANSCHHOEK

037-649 NPO

Diere Beskermings Vereniging
Ingelyfde Vereniging sonder winsoogmerk

28 April 2021

The Municipal Manager
Ms Geraldine Mettler
Stellenbosch Municipality
PO Box 17
Stellenbosch

Re: Franschhoek SPCA: Application for Funding in terms of the MFMA

Dear Ms Mettler

On behalf of Franschhoek SPCA I would like to express our sincere thanks to the Stellenbosch Municipality for your ongoing support to our organization. Without your assistance we would not be able to continue to offer the Community of The Franschhoek Valley, nor the outlying areas within the Stellenbosch Municipality jurisdiction, the ongoing support in terms of domestic and farm animal care.

The Franschhoek SPCA (Society for the Prevention of Cruelty to Animals), established in 1994, has made application for funding in the 2021/22 financial year as provided for in the Local Government Municipal Finance Management Act, 56 of 2003.

On behalf of the committee and Staff of the Franschhoek SPCA we would hereby make declaration that the organization is managed by a competent committee of 6 volunteers and 3 permanent staff, including our SPCA Inspector of the Groendal premises. We confirm that the finances of the organization are managed in a transparent, effective, and efficient manner, confirmed by annual independent audits. Minutes of meetings, management accounts, controls and community activities are available for review.

Yours faithfully

Michelle Connolly

Chairperson

Erika McCormack

Committee Member



**STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK**

APPENDIX A

Municipality • Umasipala • Munisipaliteit

**APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL
FUNCTION 2021/22**

**NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE
CONSIDERED**

PLEASE COMPLETE THE FOLLOWING:

A REGISTERED NAME OF ORGANISATION:

Franschhoek SPCA

Public Benefit Organisation No: 930012659

Non-Profit Organisation No: NPO 037 649

**B DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED (INCLUDE
BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):**

The Franschhoek SPCA (established 1994) is a non-profit public benefit organisation operating under the auspices of the National Society for the Prevention of Cruelty to Animals (NSPCA) which was established in 1955. The SPCA has the objective to serve and protect ALL animals, to uplift their welfare and to ensure that the protection they have under South African law is upheld while preventing cruelty, promoting kindness and alleviating suffering. Should the death of the animal become an unfortunate reality the SPCA takes responsibility of the hygienic storage and disposal of the body. The objective is to work closely with the community to promote the aims of the organization. The SPCA is staffed by 4 full-time employees and managed by a Committee of 10 volunteers. Funding is through donations, public membership contributions, legacies, sponsorships, grants and other general fundraising activities.

C ADDRESS:

(i) Street

1A La Provence Street

Franschhoek North

7690

(ii)

Postal

PO Box 192

Franschhoek

7690

Contact details:

Name and Surname: ...Michelle Connolly

Title/Position held: ... Chairman

Tel: 072 6225 192

E-mail: chair@spcafhk.co.za

D LIST ALL THE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:

Name and Surname: Michelle Connolly

Position: Chairman

Contact Address and tel. Glenwood Farm, Robertsvlei Rd, Franschhoek 7690
072 6225 192

Name and Surname: Wendy Saffery

Position: Treasurer

Contact Address and tel. no: Le Galinier, Main Rd, Franschhoek 7690
083 743 7625

Name and Surname: Erika McCormack

Position: Events and Fundraising

Contact Address and tel. no: Franschhoek Beer Co. Main Rd, Franschhoek 7690
082 905 2606

Name and Surname: Rietha Marais

Position: Committee Member

Contact Address and tel. no: Le Galinier, Main Rd, Franschhoek 7690
062 367 1662

Name and Surname: Nicola de Havilland

Position: Secretary

Contact Address and tel. no: Glenwood Farm, Robertsvlei Rd,
Franschhoek 7690
082 333 3546

Name and Surname: Salie Peters

Position: Committee Member

Contact Address and tel. no: Stellenbosch Municipality, Stellenbosch.
084 366 3178

Name and Surname:

Position:

Contact Address and tel. no:

D INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE:

Primarily Ward 1, Ward 2, Ward 3 and Ward 4.

Is the organisation a non-profit company ?

☐ No

If yes, registration number:

Is the organisation a non-profit organisation as contemplated in Section 13 of the Non-Profit Organisation Act, 1937 ?

☐ Yes

If yes , provide registration number NPO 037 649

Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962 ?

☐ Yes

If yes , provide registration number PBO 930012659

Is funding required for a specific project? Support in 4 Areas.

If yes, attach details separately.

Budget amount of projects: Total Support R 750 000 (see attached summary)

Duration of project: For financial year 2021/22

Is funding required for general support? In 4 areas

☐ Yes

If yes, attach a copy of the organisation's overall budget and business plan.

See Attached for definition of 4 proposed support areas

E	<p>CATEGORY</p> <p>Please categorise your application (mark with x):</p> <p>Tourism Destination Marketing and Visitors Information ☐</p> <p>Tourism Development ☐</p> <p>Accommodation and burial of animals ☒</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p>See attached business Plan</p>
F	<p>THE FOLLOWING <u>MUST</u> ACCOMPANY THIS APPLICATION:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation's Constitution that is in the name of the applicant, signed and dated re acceptance. AGM minutes proofing the acceptance must be attached. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If you have received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If you received funding from other bodies, please identify and the amount (see financial budgets: on funding received from donations, sponsorship etc.) 7. Proof of registration/affiliation. 8. Valid Tax Clearance and Tax Exemption documents.

G THE FOLLOWING SHALL APPLY:

1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
2. An applicant who has been registered as a "non profit" organisation in terms of Section 13 of the Non Profit Organisation Act, 1997, must submit the necessary proof thereof together with its application.
3. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for.
4. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.
5. Applicants must in their submission satisfy the Council of their ability to execute the project successfully.
6. Organisations who have already received financial or other assistance from the Council during the previous financial year must specify same in their application.
7. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations.
8. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.
9. Projects outside the boundaries of the Council will not be considered.
10. Subsequent requests from applicants to cover overspending on projects will not be considered.
11. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds.
12. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body has to:-
 - Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.
 - Report monthly on the actual expenditure of the amount allocated.
1. 13. The Council reserves the right not to give funding to any or all organisations applying. Having been awarded funding previously does not give an applicant the right to receive a grant again.
2. 14. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
3. 15. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its

activities or the
must submit financial
financial year.

project applied for. For this purpose, organisations
statements and budget for the ensuing

16. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).

17. Funding will not be considered where expenses have already been incurred on a project by the applicant.

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H UNDERTAKING:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read; understood and will be complied with.

I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Franschhoek on this...28th day of April 2021.



Co-Chairperson / Authorised Representative



Secretary / Duly Authorised Signatory



FRANSCHHOEK

APPLICATION FOR SUPPORT YEAR 2021/22

OUR SOCIETY

Established in 1994, Franschhoek SPCA falls under the umbrella of the NSPCA South Africa however it is a Society financially independent of the national organization. As a Non-Profit and Public Benefit Organization, we are funded through donations, sponsorships, grants, gifts and the general goodwill of the community.

OUR MISSION

Our mission is to prevent cruelty and promote the welfare of all animals within our community. Our areas of operation are: Wards 1,2,3,4:

Franschhoek, Groendal, Wemmershoek, Groot Drakenstein, Bosbou, Pniel, Sawmill, Lanquedoc and Kylemore. The area spans approximately 200 square kilometres with a total population of 30 000 (SA Census). It is estimated that the total domestic animal population in this area is in the order of 4200 animals.

The Franschhoek SPCA is also available to assist in the greater Stellenbosch area, Villiersdorp, Grabouw and other areas should the need arise, and animals require our help.

OUR PREMISES

Our premises/clinic (on lease from the Stellenbosch Municipality) consists of a fully-operational facility consisting of:

Clinic

Surgery

Administration Office

Freezer Storage Capacity

4 x Holding Kennels

2 x Quarantine Kennels

2 x Outside Quarantine Kennels

4 x Cat Cages

The South African Veterinary Council requires our Clinic to be registered to meet all its stringent conditions regarding sterilizations and animal housing. We have a single vehicle utilized on an "outreach basis" to transport animals where appropriate.

Mobile clinics are conducted from this vehicle in the areas of our responsibility within the communities we serve. Our team works with the support of local vets, offering a professional service and central facilities to assist residents unable to afford the normal veterinary services for their animals in and around our valley and villages. Our staff work closely with both the regular SA Police Force and the Stellenbosch Municipal Police.

EDUCATION

The Franschhoek SPCA has an educational program which includes visits to our local schools to promote good animal welfare through projects and incorporation in the curricula. Students are encouraged to visit the clinic and offer volunteer work where appropriate. We also have various initiatives aimed at creating an understanding of animal welfare within the community. We have inspectorate staff who travel around the township areas identifying animals in difficulty and seeking out the owners in order to offer elementary education on animal welfare.

We also use a monthly newspaper article in the Franschhoek Tatler to stress the importance of good animal health and welfare. The Franschhoek Tatler provides us with media exposure and is of great support to the Society - promoting us and informing the community of our message of animal welfare. This channel is also used in raising awareness for the need for financial support. We are also listed with the local Magistrate's office regarding an offer of limited community service for minor offenders.

FUNDRAISING

Due to the financial climate, this past year has been particularly difficult in terms of fundraising. The problem has been hugely exacerbated by the Covid -19 situation where not only do we have the economic challenge but also the requirement to limit our events to smaller numbers in order to comply with COVID safety protocols.

Being a largely Tourism based village, we have been greatly affected by the downturn of financial input from the tourism/restaurant sector, and with no other large industry in our area, sponsorship has become increasingly difficult to acquire. We are not permitted to raise funds outside our Constitutional limits as it is deemed unfair practice to compete with other animal related charities.

We have some more fundraising activities planned for the coming year such as our annual Boules competition during the Bastille Festival in July and are hoping to host an evening event later in the year. The economic downturn has had a drastic increase in the number of animals requiring care and at the same time made it exceedingly difficult for us to fundraise.

THE PROGRAMMES

Collection of dead animals and euthanasia

Dealing professionally with unwanted or seriously injured or ill domestic animals as well as livestock and other "wild" animals in a hygienic way including the storage and disposal of bodies.

Due to the current economic climate, largely due to COVID-19, we have seen a dramatic increase since 2020, in animals being dumped on the roadside, leading to more strays we must pick up, as well as dead animals, or those who have been injured who then need to be euthanised.

We foresee this getting worse, as many more animal owners are losing their jobs and there is an increase in loss of income. Sadly, when this happens, animals are on the bottom of the priority list and suffer as a result.

We anticipate an increase in the number of cases where people will be forced to surrender their animals to us, handing them over to be euthanised, or in desperation abandoning them even, which will further exacerbate the already out of control scenario of unwanted and neglected animals.

Many people can not longer afford to feed their animals properly, leading to malnutrition and disease. Fewer pet owners are now able to afford vaccinations and basic veterinary care, further exacerbating the problem. The community has become far more reliant on assistance from our SPCA in this regard, which eats into moneys raised at our fund-raising efforts at an alarming rate.

We have also experienced an enormous outbreak of Parvo-Virus in the Western Cape, resulting in the need to euthanise many very sick animals and to help with the hygienic clean up and removal of those already dead.

Sterilisation

We have almost depleted our funds available for sterilisations, which are essential in helping keep the unwanted breeding of animals at bay. We would need to continue with our monthly sterilisations if we are to keep some control over this situation. Again, fewer pet owners can contribute to the costs of having their pets sterilised, leaving the burden of costs largely in our hands.

Community Outreach and Support

We continue to connect with individuals at both our in-house and mobile treatment clinics, although it has become increasingly difficult to operate due to having to keep gatherings small enough at a time to ensure COVID safety protocols. This means we are having to drive further and spread out more to maintain our efforts in this regard.

Setting up a meaningful school educational programs and appointing young brand "ambassadors" is still on our radar, but with schools having been closed for a large part of the time this has also has its challenges.

We continue to conduct our extensive door-to-door contact imparting a message of the humane treatment of animals all the while building on the neighbourhood youth "ambassador" programme and partnering with a spectrum of local community projects.

There will be a stronger focus on animal sterilisation, and there is a critical need for consistent, positive engagement with the community to overcome unacceptable and anti-social practices, like dog fighting (of which we have two new cases just in the last month alone) and being able to bring the perpetrators to book.

Disease Control

Through effective inoculations and treatment of ticks, mange, rabies, and other transmittable diseases the SPCA assists in keeping a high standard of health in the animal population to the benefit of the community. SPCA is doing all possible to continue providing medical assistance to our community by way of supplying and administering the following:

Antibiotics - to treat minor injuries and infections, particularly given that visits to a vet might be difficult or impossible for most people at this time.

Vaccinations – the Western Cape has been in the grip of a deadly Parvo-Virus outbreak and if we are not able to continue with vaccinating against parvo the number of deaths will increase even further. The Parvo-Virus is highly contagious and results in a horrific death. Other virus like distemper must also be kept well under control.

Deworming and inoculation – we still use the (5 in one) injection us R140.00. Treatment for deworming (ringworm and intestinal worms are transferred from animals to humans) and dipping for mange, particularly sarcoptic mange (aka scabies in humans) is crucial as these can cause major health concerns for the community. A Nexguard tablet treatment (which is most effective) costs R150.00 per tablet. A course is one a month for 3 months. R450 per animal.

IN SUMMARY

All the above activities and services that we provide on behalf of the Stellenbosch Municipality and the areas within its jurisdiction cover the main essential body of our work which never change but become more costly each year.

As you can see from the detailed accounts that substantiate our submission for aid, this is an endless and costly endeavour.

Your careful consideration in this regard and to the dire consequences to all our communities should the service we provide no longer be available will be very much appreciated.

BUDGET**Franschhoek SPCA**

April 2021 to Mar 2022

Rand
Actual
2019/20

Rand
Pre Audit
2020/21

Rand
Budget
2021/22

Revenue

	Clinic medicines and food	193,323	199,796	210,000
	Membership	-	1,925	4,000
1	Donations and Fund Raising	1,031,470	421,993	450,000
	Municipal Grant	172,000	187,484	750,000
	Interest received	12,122	7,538	8,000
	Total	1,408,915	818,736	1,422,000

Cost Of Sales

-	196,494	235,000
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Operating Expenses**Rand****Rand****Rand**

	Administration	14,918	20,850	30,000
2	Animal Euthanasia & Cremation	15,301	18,490	25,000
3	Free Animal Food (2019/2020 inc Cost)	207,201	29,927	36,000
4	Free Medication (2019/2020 inc Cost)	212,388	70,208	85,000
	Auditor's remuneration	14,178	14,888	15,500
	Bank Charges	5,716	6,441	7,000
	Depreciation	32,617	32,617	32,617
5	Employee Costs	593,558	386,330	330,000
	Insurance	10,546	12,094	14,000
	Municipal Services	18,578	19,388	20,500
6	Motor Vehicle Expenses	47,803	31,969	30,000
	Printing and stationery	6,912	7,540	8,500
	Maintenance and Facility Upgrade	3,538	8,134	55,000
8	Security	1,909	-	8,000
9	Sterilisation	146,725	48,000	15,000
	Sundry Office Expenses	5,734	7,653	8,000
	Telephone and Fax	15,961	11,286	12,000
	Money to National	21,714	58,513	62,000
	Kennelling Expenses	23,840	4,738	6,700
10	Training (Community Outreach)	3,291	-	5,000
	Total	1,402,428	789,065	805,817

Operating "profit"**6,487****-166,823****381,183**

Less Capital Expenditure in Municipal Grant:

366,000**Actual Operating Profit:****15,183**

- 7 **Maintenance and Facility Upgrade:** Our facility was built in 2008 with a further building being added by the Municipality in 2010. Both of these buildings are in dire need of repair. A list work needed to be carried out is given under our funding request. This includes an upgrade of our electric fence that also links into security below.
- 8 **Security:** It is unfortunate that when times get hard crime increases. Our clinic is in a high risk area for crime and although we keep a minimum amount of cash on hand there are drugs in the clinic that people may assume are worth stealing. Apart from the upgrade of the electric fence, which is currently inoperable due to lack of funds to fix, we would like to install an alarm system that is monitored by one of the local security companies. We have included the installation cost in the Facility upgrade costs, the amount in the budget is for the monthly monitoring.
- 9 **Sterilisation:** This is the primary way to control the number of unwanted animals in our community. Due to COVID19 we could not carry out as many sterilization days as we would normally have done for this reason this year we are "playing catchup" as we would like to not only do the number of sterilisations we plan for the year but also increase this number to make up for the ones we could not do last year. We have already held our first sterilisation day for this financial year and hope we can do many more.
- 10 **Training (Community Outreach):** Due to COVID19 this really could not be addressed at all in 2020 but as the schools start to operate again we hope to be able to go back in to run education days. We would also like to start some community projects through local schools.

CONSTITUTION

1 NAME AND AREA OF OPERATION

1.1 The name of the Society shall be

Franschoek SPCA

1.2 Appeals for the purpose of fundraising activities are prescribed by the Non Profit Organisations Act of 1997 may be made to the public by any means thought fit in the following areas:

Franschoek; Groendal; Wammershoek, Groote
Drakenstein; Bosbon; Pniel; Sawmill;
Langmedoc; Kylemore

1.3 The area in which the Society shall carry out its objects shall be:

Within the areas of wards 1; 2; 3; 4 of the Stellenbosch
Municipality; Franschoek; Groendal; Wammershoek, Groote Drakenstein
Bosbon; Pniel; Sawmill, Langmedoc; Kylemore - In addition
Franschoek SPCA offers assistance to neighbouring Societies as
2 OBJECTS deemed appropriate by Committee & Staff.

The objects of the Society shall be:

- 2.1 To prevent cruelty and the ill treatment of animals by promoting their good treatment by man;
- 2.2 To prevent wanton and improper treatment of animals;
- 2.3 To encourage kindness and consideration towards animals, including the establishment and promotion of Junior Movements;
- 2.4 To maintain and protect animal and bird life in their natural habitats;
- 2.5 To educate the entire community with regard to the humane treatment and compassion toward animals;
- 2.6 To encourage and promote membership of the Society;

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- 2.7 The sole or principal object of the Society is to carry on the public benefit contemplated in paragraph 4(b) in Part II of the Ninth Schedule to the Act, in a non-profit manner and with an altruistic or philanthropic intent.

3 POWERS OF SOCIETY

The Society is empowered generally to transact any business and conduct such affairs as are necessary for the proper fulfilment of its objects as laid down in clause 2 and in particular, inter alia:

- 3.1 To acquire funds for the purpose of the Society by means of subscriptions, by accepting donations, grants and bequests; and by lawful means and in accordance with the aims and objectives of the Society;
- 3.2 To utilise its funds or any part thereof in any manner which may be necessary or expedient for the proper conduct of the functions of the Society;
- 3.3 To do everything necessary for the proper and businesslike control and conduct of the affairs of the Society;
- 3.4 To do all things which may be necessary or expedient for the purpose of giving effect to this constitution or any part thereof or the regulations or rules thereunder;
- 3.5 To implement all or any of the foregoing objects by any lawful means which is/are registered in terms of the Non Profit Organisations Act of 1997;
- 3.6 To make provision for the organisation to be a body corporate and have an identity and existence distinct from its members or office-bearers;
- 3.7 The Society is prohibited from directly or indirectly distributing any of its funds to any person, otherwise than in the course of undertaking any public benefit activity, and is required to utilise its funds solely for the objectives for which it has been established. If the organisation has funds that can be invested, the funds may only be invested with registered financial institutions. These institutions are explained in Section 1 of the Financial Institutions (Investment of Funds) Act, 1984. Or the organisation can obtain securities that are listed on a licensed stock exchange as set out in the Stock Exchange Control Act, 1985. Organisations can seek advice from licensed Financial Institutions on the best way to look after their funds.
- 3.8 No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the Society otherwise than by way of reasonable remuneration.
- 3.9 At least three persons who accept fiduciary responsibility for the Society will not be connected persons in relation to each other, and no single person will directly or indirectly control the decision making powers relating to such Society.
- 3.10 No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation

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with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole or principal object the carrying on of any public benefit activity) may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

4 MEMBERSHIP

4.1 Membership shall be open to all persons provided that by simple majority, the Management Committee may, at its discretion, refuse membership to any person whose membership it considers undesirable; provided that should any application be refused, a copy of the application shall be submitted to the NSPCA, endorsed with the reason for the refusal and such applicant shall be advised by the Society that they have the right to appeal in writing to the NSPCA whose decision will be final.

4.2 The following shall be the classes of Membership:

(a) **Ordinary Members:**

ie. Persons who subscribe the annual amount fixed from time to time by the Management Committee.

The Management Committee shall have sole and absolute discretion, in deserving cases, such as persons who are physically challenged or persons in disadvantaged situations (but not limited to these categories), to provide free membership with full or limited benefits on the basis of individual merit.

(b) **Junior Members:**

ie. Persons under the age of eighteen years who subscribe the annual amount fixed from time to time by the Management Committee.

(c) **Life Members:**

ie. Persons who subscribe a single sum of money fixed from time to time by a General Meeting of the Society.

(d) **Honorary Life Members:**

ie. Persons appointed by the Management Committee for services to the Society or to animals, which, in the opinion of the Management Committee, merit such recognition.

Such members shall not be required to pay any subscription.

(e) **Corporate Members:**

ie. Companies, firms, or other bodies which subscribe an annual amount to be determined in a general meeting.

Such members shall be entitled to nominate in writing a person to represent them, and such person shall whilst he remains a nominee,

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be subject to the same conditions, and entitled to the same rights and privileges as any ordinary member.

- 4.3 All subscriptions shall become due on 1 April in any year, and shall be regarded as being in arrear if they are not paid within three months of that date. The membership list shall be closed seven (7) days prior to the Annual General Meeting, and shall be re-opened after the Annual General Meeting.
- 4.4 All classes of natural members, except junior members, shall be entitled to attend, speak and vote at general meetings of the Society, and shall be eligible for election as officers or members of the Management Committee, provided that they are in good standing with the Society, are not under suspension in terms of (4.8) below, and subject to the provisions of (4.5) below and (4.6) below.
- 4.5 Paid employees of the Society, their relatives by blood or marriage (whether civil, customary or religious) or persons with whom they are in a same-sex or heterosexual relationship, shall be eligible for membership of a Society. They shall be entitled to speak at meetings, but shall not be entitled to vote, or be eligible for appointment as trustees, directors, officers or members of the Management Committee; provided that the term 'paid employees' shall not be regarded as referring to persons to whom the Management Committee may vote periodic and modest honoraria (as reimbursement for direct costs incurred). **{Board Notice 190 – 15 Dec 2016}**
- 4.6 No member of the governing body or staff of a Society shall be a member, agent, employee, official or representative of another animal welfare organisation, body or committee, interim, temporary or otherwise, or an organisation, body or committee, interim, temporary or otherwise, whose principles, aims, objectives, or general policy do not accord with those of the NSPCA and/or which has a function which may affect or have an impact upon the welfare of animals, unless previously approved in writing by the Board, which approval shall not be unreasonably withheld.
- 4.7 No member of Management Committee shall have a direct interest in, or benefit from any contract which the management may conclude. This includes being engaged to provide services to the Society for which the member is compensated.
- 4.8 The Management Committee may expel or suspend any member who has, in its opinion, been guilty of conduct prejudicial to the objects, interests or reputation of the Society. Taking into account the *audi alteram partem* principle in Common Law, such person must be advised of such intended expulsion or suspension, and must be granted a hearing from the Management Committee, to draw attention to such facts as he may deem relevant to his position. If the Management Committee adheres to its decision thereafter, the matter shall be placed on the Agenda of the next general meeting of the Society, pending which the expulsion or suspension shall remain effective, and the member concerned is debarred from alleging any prejudice in regard thereto.
- 4.9 Should there be any domestic dispute or disagreement within the Society which cannot be reconciled by the Management Committee then a minimum

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of 3 members may request that the matter shall be submitted to the NSPCA for arbitration. The decision of the National Council shall be binding.

- 4.10 The liability of members is limited to the arrear in respect of their subscriptions and any other amounts which they may owe to the Society. "In good standing" shall mean that all subscriptions and any other monies due to the Society arising out of services/goods provided directly to the member by the SPCA, shall have been paid and that the persons are not in dispute with the Society in this regard. It shall be a requirement that proof of any sums owed by any member be available at any General Meeting and the member be afforded the opportunity to furnish proof of payment at the meeting.
- 4.11 A member may resign by giving written notice to the Secretary and shall be deemed to have resigned if his annual subscription is more than twelve months in arrear; provided that such resignation and any expulsion or suspension in terms of this Constitution shall not absolve the member concerned from any liability in respect of any arrear subscription, or any current subscription or other amount which is, or may become, due to the Society up to the next year end following the date of such resignation, expulsion or suspension; and
- 4.12 It is a condition of membership that members are deemed to be aware of and to be bound to this Constitution, the Rules of the NSPCA and any amendments thereto.
- 4.13 No more than 2 members of a family nor their relations by blood or marriage whether civil or religious, or the person with whom they have entered a customary union, or with whom they are living in a same-sex or heterosexual relationship, shall be permitted to serve at the same time on the Management Committee of a Society unless previously approved in writing by the Board, which approval shall not be unnecessarily withheld.
- 4.14 No member of the Management Committee may be in the employ of another member of the Management Committee. This would include any member being in any subservient position in the same business as another member of the Management Committee.

5 ANNUAL GENERAL MEETING

- 5.1 The annual general meeting of members shall be called by the Management Committee within four months after the end of the financial year. At least twenty one (21) clear days which include Saturdays and Sundays, notice shall be given by way of advertisement in not less than one issue of a newspaper circulating in the Society's area of operations. Alternatively, at least fourteen (14) clear days which includes Saturdays and Sundays, notice in writing shall be sent by email, facsimile, telefax or post to all members entitled to attend and vote, but the non-receipt of such notice shall not invalidate the proceedings at the meeting. The meeting shall be held at a public venue which shall include SPCA premises.

The Management Committee shall also give notice of its Annual General Meeting by circulating to the NSPCA the aforementioned notice of meeting as

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 NS. EM. [Signature]
 [Signature]

and when circulated to members, or copy of notice as it appears in the newspaper.

- 5.2 The business to be transacted at such meeting shall include inter alia:
- (a) to adopt the minutes of the previous annual general meeting;
 - (b) to receive and consider the annual report by the Management Committee on the affairs of the Society, together with a duly audited balance sheet and income and expenditure account for the preceding year;
 - (c) to elect the members of the Management Committee;
 - (d) to deal with any relevant business within the competence of the meeting; and
 - (e) to appoint an auditor in compliance with the requirements of the Non Profit Organisations Act of 1997. The auditors may not be a member of the Management Committee.
- 5.3 Societies are to have the current membership list available at any AGM or Special General Meeting for perusal and confirmation that only paid-up members are voting. Furthermore the attendance register for the Annual General Meeting should be forwarded to the NSPCA, noting the date of payment of each member present at the meeting.

6 SPECIAL GENERAL MEETING

- 6.1 A special general meeting may be called by the Management Committee at any time.
- 6.2 The Management Committee shall call a special general meeting on receipt of such a request signed by at least 15 (fifteen) members or 25 percent of the membership (whichever is the lesser) and such request must specify the object for which the meeting is desired.
- 6.3 The notice calling a special general meeting must state the object for which the meeting is called and no other business may be transacted at that meeting. For any special general meeting at least 21 (twenty one) days notice shall be given in the manner prescribed for an annual general meeting.

7 QUORUM

- 7.1 At any general meeting 15 members or 25% of the membership, whichever is the lesser, shall be a quorum. If within half an hour after the time appointed for the meeting a quorum is not present, the members present may by majority decision agree to proceed with the meeting or stand adjourned in order to call a new meeting. This should be reflected in the minutes accordingly.

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8 VOTING

- 8.1 Each member entitled to attend and vote at the meeting shall have 1 (one) vote.
- 8.2 At any general meeting voting shall be decided on a show of hands unless a poll be requested, when it shall be taken in such manner and at such time as determined by the Chairman, or the person presiding at the meeting. Only members enrolled 3 months prior to a meeting and in good standing shall be entitled to vote.
- 8.3 When any ballot is necessary two scrutineers shall be elected by the members present to oversee the voting and count the votes.
- 8.4 No member shall be entitled to a vote by proxy.
- 8.5 Any member in arrears with any payment (referred to in 4.10) due to the Society shall be disqualified from voting.
- 8.6 Save where otherwise provided, all decisions shall require a simple majority vote. In the event of an equality of votes the Chairman, or in his absence the person presiding at the meeting shall have a casting vote in addition to his deliberative vote.

9 MANAGEMENT

The control of the affairs of the Society and of all matters relating thereto shall vest in a Management Committee which shall consist of:

- 9.1 Not less than 5 (five) and not more than ten (10) members who shall be elected at the annual general meeting;
- 9.2 Persons wishing to make themselves available for election to the Management Committee must submit their names in writing to the Secretary, to arrive no later than 7 (seven) clear days before the date set for the Annual General Meeting. Each submission must be accompanied by a one page curriculum vitae/motivation which shall be made available for the members to read at the annual general meeting.
- 9.3 Any member in good standing and not engaged in any activity contrary to the Statement of Policy shall be eligible for election to the Management Committee if proposed and seconded by persons who have been members for a minimum of twelve (12) months.
- 9.4 The quorum for any meeting of the Management Committee shall be 60%. The names of all persons present at meetings of the Management Committee shall be recorded in the minutes.
- 9.5 At each Annual General Meeting all members who have completed 2 (two) years in office shall retire. Retiring members shall be eligible for re-election should they so desire.

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- 9.6 The Management Committee shall meet at least ten (10) times during each calendar year on specified dates at intervals of not more than three months, to be fixed by the Management Committee. Minutes shall be taken at every meeting to record the Management Committee's decisions. The minutes of each meeting shall be given to Management Committee members two weeks before the next meeting.
- 9.7 Any elected member of the Management Committee who without satisfactory reason is absent from three consecutive meetings of the Committee, shall ipso facto cease to be a member thereof. Leave of absence may be granted on request to any member thereof by the Management Committee for a period not exceeding three months.
- 9.8 The Management Committee may by co-option fill any casual vacancy among those of its members holding office in terms of the above and any such co-opted member shall retire from office at the next general meeting but shall be eligible for re-election.
- 9.9 Every year, as soon as practicable after election, the Management Committee shall from among themselves select a Chairman, Vice-Chairman, Treasurer and Secretary. All office bearers shall hold office until the next Annual General Meeting unless removed by a two thirds majority of those voting at a meeting of the Management Committee.
- 9.10 If at any meeting the Chairman or Vice-Chairman are not present at the time of holding the meeting the members of the Management Committee present shall elect one of their number to act as Chairman for the duration of such meeting.
- 9.11 The Secretary shall give to each member of the Management Committee not less than seven days notice in writing of all ordinary meetings of the Management Committee. These meetings shall be held at a public/neutral venue.
- 9.12 The Management Committee shall be empowered to appoint such sub-committees as it may consider necessary for the effective carrying out of its functions and may determine the powers and duties of such sub-committees.
- 9.13 The Management Committee or any sub-committee appointed by it may meet and adjourn as thought proper. Questions arising at any Management Committee meeting shall be determined by a majority of the votes of the members present and in the case of an equality of votes, the Chairman shall have a second or casting vote.
- 9.14 The office of the Chairman may not be held by the same person for more than four (4) consecutive years, unless approved in writing by the NSPCA Board following written application for an extension.
- 9.15 All committee members elected or co-opted onto a committee of a Society must sign the Code of Conduct for committee members to be found in the Operations Manual. This includes members of any sub-committees and volunteers engaged at a Society or representing a Society.

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- 9.16 Managerial Staff may attend meetings at the discretion of the Management Committee for the purpose of reporting on the activities of the SPCA. Any staff members attending meetings of the Management Committee are required to sign, and be bound by, the Code of Conduct for Members of the Management Committee. Staff members will be required to absent a meeting upon a motion from two members. This would exclude Chief Executive Officers appointed to the Board of the Society.

10 POWERS OF THE COMMITTEE

The Management Committee has the following powers:

- 10.1 to appoint and at its discretion remove or suspend such attorneys, agents, secretaries, officers, clerks and servants as it may consider expedient and determine their duties and fix and vary their salaries and emoluments and honoraria (if any) and require security in such instances and to such amounts as thought fit;
- 10.2 to institute, conduct, defend, or abandon any legal proceedings by and against the Society or its officers or otherwise concerning the affairs of the Society, and to also allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Society;
- 10.3 to invest and deal with any monies of the Society upon such securities and on such terms as it may think fit and from time to time vary or realise such investments;
- 10.4 to acquire by purchase, donation, lease, exchange or by other means any immovable property calculated to benefit and to advance the Society's objects, and construct or cause to be constructed any building or structures for use in the attainment of the objects of the Society or for any purpose incidental thereto, and sell or otherwise dispose of any such property;
- 10.5 to borrow money for use in the furtherance of its objects, mortgage any property owned by the Society and perform any such acts as may be necessary to give effective security for the repayment of such loans;
- 10.6 to open one or more banking accounts in the name of the Society and operate upon the same and draw, endorse, make or execute bills of exchange, cheques, use internet banking and other negotiable instruments connected with the business of the Society, provided that such bills of exchange, cheques and other negotiable instruments shall be signed by not less than two persons duly authorised thereto by the Management Committee, one of whom shall at all times be a member of the Management Committee;
- 10.7 to make, alter or rescind regulations and rules for the efficient control of the Society, its members, branches and employees, provided that rules, alterations thereto and recessions thereof so made shall not be in conflict with this Constitution or the SPCA Act and Rules;
- 10.8 to determine the remuneration of auditors;

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- 10.9 to carry out and give effect to all resolutions of the members in general meeting and, where no special direction is given as to the manner in which any resolution is to be carried out, carry it out in such manner and form as the Management Committee may in its discretion think fit; and
- 10.10 to do all such other acts as may be necessary or desirable in the attainment of the objects of the Society.

11 BOOKS, ACCOUNTS AND RECORDS

- 11.1 A register of members reflecting the full name, ID number, type of membership, date of joining and date of renewals, shall be kept in such form as determined by the Management Committee provided that it complies with any relevant regulations.
- 11.2 The Management Committee shall cause proper books to be kept in which a true and satisfactory account of all transactions shall be recorded.
- 11.3 A receipt shall be given for all monies received and they shall be deposited to the credit of the Society in a banking account.
- 11.4 The auditor appointed at the annual general meeting shall have access at all times to the books and accounts of the Society and shall certify the financial statement based thereon.
- 11.5 In all respects accounting records shall comply with the relevant provisions of the Non Profit Organisations Act of 1997 and the SPCA Act 169 of 1993.
- 11.6 The Management Committee shall ensure that the audited Financial Statements are submitted to the NSPCA by no later than the last day of July each year.
- 11.7 The Management Committee shall cause proper records to be kept of all activities as required by the NSPCA, and cause such records to be submitted to the NSPCA by no later than the last day of July each year or on any other day as specified by the said body in accordance with their required format.
- 11.8 In the event that a member of the Management Committee of any SPCA is removed or replaced in terms of Section 11 of the Societies for the Prevention of Cruelty to Animals Act No 169 of 1993, then the Board shall also simultaneously be authorised to remove and replace the individual/s as signatories on any banking account or investment of any kind, which is held with any institution in the name of the Society. *{Board Notice 190 – 15 Dec 2016}*

12 LEGAL PROCEEDINGS

All legal proceedings instituted by or brought against the Society shall be in the name of the Chairman for the time being of the Society and the domicilium citandi et executandi of the Society shall be the address of the Society as registered in terms of the Non Profit Organisations Act of 1997.

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13 ADMINISTRATION OF FUNDS

The income and property of the Society from whatever source shall be applied solely towards the promotion of the objects of the Society and no portion shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to members of the Society; provided that nothing herein contained shall prevent the payment in good faith to any officer, servant or member of the Society of remuneration for services actually rendered to the Society; or of expenses actually incurred and disbursed in carrying out the business or attending to the affairs of the Society.

No remuneration will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objectives.

At least 85% of such public benefit activity/activities, measured either in cost or time spent, are carried out for the benefit of persons in the Republic.

14 FINANCIAL YEAR

The financial year of the Society shall end on the 31st day of March in each year.

15 WINDING UP OR DISSOLUTION

Following written notice to the NSPCA, the Society may be dissolved if at least two-thirds of the members present and voting at a general meeting of members convened for the purpose of considering such matter are in favour of dissolution. Not less than twenty one (21) days' notice shall be given of such meeting and the notice convening shall clearly state that the question of dissolution of the SPCA and disposal of its assets shall be considered. If there is no quorum at such a general meeting, the meeting shall stand adjourned for not less than one (1) week and the members attending such adjourned meeting shall constitute a quorum.

If, upon winding up or dissolution of the Society and after satisfaction of all its debts and liabilities, there remain any assets whatsoever, then such assets shall not be paid to or distributed among the members of the Society but shall be paid or transferred to the NATIONAL COUNCIL OF SPCAs to be used for the welfare of animals where most needed.

The transfer of any assets to the NATIONAL COUNCIL OF SPCAs shall be on condition that the said Council is registered in terms of the Non Profit Organisations Act of 1997, and within the Republic of South Africa, which has been approved in terms of section 30 of the Income Tax Act, 1962, (Act No 58 of 1962).

Failing which, the remaining assets must be transferred to -

- (a) Any similar public benefit organisation, which has been approved in terms of section 30 of the Act;
- (b) Any institution, board or body which is exempt from the payment of income tax in terms of section 10(1)(CA)(i) of the Act, which has as its sole principal object the carrying on of any public benefit activity; or

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- (c) Any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b) of the Act.

16 AMENDMENTS TO CONSTITUTION

Amendments must be submitted to the NSPCA for approval in terms of the SPCA Act 169 of 1993. Thereafter it shall be amended either at a special general meeting or at an annual general meeting, provided that the proposed amendments shall be incorporated in the notice of such meeting and agreed by two-thirds of the members present and entitled to vote at such meeting. A copy of all amendments to the constitution must be submitted to the Commissioner for the South African Revenue Service and Non Profit Organisations Act of 1997.

Any amendment to the Model Constitution adopted at a General Meeting of the NATIONAL COUNCIL OF SPCAs shall be placed on the Agenda of the next General Meeting of the Society and adopted as a formality.

Any amendment to the Model Constitution required by any regulatory authority shall be placed on the Agenda of the next General Meeting of the Society and adopted as a formality.

17 TRADING

The public benefit organisation will not carry on any business undertaking or trading activity unless specifically permitted in terms of Section 30(3)(b)(iv) of the Income Tax Act.

18 INDEMNITY

No director or committee member shall be answerable for, or liable to make good any loss occasioned or sustained by any cause, howsoever arising, save and except such loss as shall arise from or be occasioned by his/her own personal and wilful dishonesty. No director or committee member shall be liable for any act of dishonesty committed by another director or committee member unless he/she was privy thereto. The directors or committee members shall be indemnified by the Society against all claims and demands of whatsoever nature that may be made upon them arising out of the exercise or purported exercise of any of the powers conferred upon them by the Constitution. *{Board Notice 182 – 14 Dec 2018}*

Signed at Franschoek on 19th of January 2021.

Committee (names & signatures):

Michelle Connolly
NDE HAVILLAN
Erika McCormack
Wendy Saffery
Marietta Marcus

McGinnis
Ndidi Haxitand
EM Connolly
B. S.
Phaj

MS. EM Mc Ndell

AFFIDAVIT

We, as office bearers of the Franschhoek SPCA, attest that the Constitution dated 14 December 2018 and duly signed by the Chairperson and Committee Member is deemed current and was formally approved by the quorate at the committee meeting held in Franschhoek on 19 January 2021.



Michelle Connolly

Chairperson

Date: 28/04/21



Erika McCormack

Committee Member (Events)

Date: 28/04/21

MINUTES OF THE FRANSCHHOEK SPCA AGM 2019/20 HELD ON

23 JULY 2020 VIA ZOOM

1) Present:

Committee members:

Graham Warsop (Chairman)

Rowan Smith

Sandy Collins

Nikki de Havilland

Members:

Annette Phillips

Maggie Marjoram

Staff Members:

Michelle Connolly, General Manager

Lilly Constable, Senior Inspector

Haneley Daniels, Animal Welfare Assistant

Other Attendees:

Bettina Rudloff

Abigail Norbury

Reejuani Beukes

2) Notice of Meeting:

Notice had been sent out on Franschhoek SPCA social platforms, Instagram, Facebook, SPCA webpage, email and was accordingly taken as read.

3) Apologies:

None. The meeting was declared quorate.

4) Minutes of the previous AGM:

The minutes of the 2019 AGM had been circulated, were taken as read and adopted.

Proposed: Rowan Smith

Seconded: Annette Phillips

5) Matters arising: There were no matters arising.

6) Chairman's Report:

The Chairman presented his Annual report, a copy of which is attached. As there were no questions on the Chairman's report, the Chairman's report was duly adopted.

Proposed: Rowan Smith

Seconded: Annette Phillips

7) Financials:

The Chairman could not present an Audited Report or Annual Financial Statement as neither were available. This was due to the fact that the Treasurer, Pat Morgan, had failed to make any entries since March despite numerous requests and offers of assistance by the General Manager. A copy of the audited financials will be posted on the Website when available. The incoming treasurer and General Manager were requested to endeavour to complete the financials as soon as possible once all supporting documents had been passed on by the previous Treasurer.

8) General Manager's Report:

The General Manager presented her report, a copy of which is attached. Her report was duly adopted.

Proposed: Rowan Smith

Seconded: Nikki de Havilland

9) Acceptance of the Constitution:

The Constitution was available to all members electronically and was duly adopted.

Proposed: Rowan Smith

Seconded: Nikki de Havilland

10) Appointment of Auditors:

The Chairman proposed that the Audit firm of NSI be appointed for the coming year. The appointment of NSI Auditors was adopted.

Proposed: Graeme Warsop

Seconded: Rowan Smith

11) Election of Committee:

Graeme Warsop and Rohan Smith had indicated that they were not available for re-election. The following members were duly nominated and elected: Nikki de Havilland, Sandy Collins, Wendy Saffery, Minnie Petersen, Riethe Marais, Salie Petersen.

12) General:

Various issues were raised under general regarding future fundraising events. It was agreed that as and when possible the usual fundraising events such as Boule, an online auction, a golf day will take place. Further ideas will be discussed with the new committee.

13) Vote of Thanks:

The Chairman and Rowan Smith were thanked for their contribution during the last year, as were all the staff.

Proposed: Nikki de Havilland

Seconded: Annette Phillips

- **There being no further matters to discuss, the meeting closed at 17:10**

MINUTES OF THE FRANSCHHOEK SPCA BOARD MEETING HELD ON 30 JULY 2020
at LA GALINIERE, FRANSCHHOEK

1) Present:

Committee members:

Wendy Saffery

Riethe Marais

Minnie Petersen

Sandy Collins

Nikki de Havilland

Staff Members:

Michelle Connolly, General Manager (MC)

Lilly Constable, Senior Inspector (LC)

Haneley Daniels, Animal Welfare Assistant (HD)

2) Notice of Meeting:

Notice had been sent out per email and was accordingly taken as read.

3) Apologies:

Sallie Petersen (SP).

The meeting was declared quorate.

4) Introductions:

The newly elected board members introduced themselves and were each handed a copy of the Constitution, the Code of Conduct and the required affidavit for signature by the new board attesting to having read and received the Constitution and Code of Conduct.

5) Voting for Positions:

The following people were nominated and elected to the undermentioned positions:

Chairperson: Wendy Saffery (WS)

Vice Chairperson: Minnie Petersen (MP)

Treasurer: Riethe Marais (RM)

Secretary: Nikki de Havilland (NdeH)

MP undertook to bring an additional member to our next meeting, who ideally should be a Langrug resident so as to ensure that all areas of Franschhoek are represented.

6) Appointment of General Manager:

MC's appointment as General Manager was confirmed. It was agreed that the terms of her appointment would remain the same, but that these would be reviewed once the financial situation had improved.

7) Financials:

As the previous Treasurer had failed to produce financials, these could not be approved and neither could they be submitted to SPCA National timeously. An extension for submission of the Financials has been requested until 31 July, 2020 so as to enable the new Treasurer and Michelle to compile a Financial Statement. As a result of the modus operandi of the previous Treasurer, who unilaterally elected to make minimum payments to suppliers and also not timeously, thousands of rands had been squandered on outstanding interest and penalties.

It was agreed that a new accounting system, Quickbooks, at a cost of R270 a month will be installed.

8) Fund raising:

Various possibilities were canvassed. These included:

- a Wendy House (to be donated by WS) at the Clinic where second hand clothes could be sold. RM undertook to have the Wendy House fixed by Daniel Moors and transported to the clinic. She also undertook to ask Buildit to donate the material required to fix the roof. Pending delivery of the Wendy House, it was agreed to use a trellis table from where clothes could be sold.
- A physical shop, where more upmarket/ designer second hand clothing could be sold was another alternative. These items would also be available via an online shop on the website. MP undertook to ascertain whether the Craft Centre could be used as the shop. It was agreed that volunteers would be required to run both the Wendy House and shop, and RM undertook to source these
- It was also agreed to erect a Gazebo be in front of USave. MP undertook to obtain the necessary permits as the land in front of Usave is Municipal land.
- An additional method for fund raising could be a weekly or bi-weekly auction. It was agreed that the latter would be a long-term objective as it would be necessary to source items such as accommodation and meals and this would require time.
- A further potential fundraiser would be to build additional kennels, which could be rented out when people went away and required dogs to be looked after.
- It was acknowledged that the tins continue to be a source of income. LK undertook to ask Angela Fraser to collect the tins.

- SC undertook to secure a trolley at P 'n P via her connection, Steve. The donations currently go to Safe Hands Animal Rescue, Franschoek. SC undertook to ask P 'n P to alternate SHARF'S trolley with an SPCA trolley weekly.

9) Medical Supply Donations:

- It was recorded that people are charged for medication according to their ability to pay.
- Members of the public are able to donate funds specifically for medication. These online donations are then forwarded by MC to Lakato (our supplier) who deliver whatever has been paid for.

10) Social Media:

WS is getting someone to review and update our website. It was agreed that other components of Social Media, such as Instagram, Facebook will be considered once the website is finalised. Partnerships with like-minded organisations will also be considered and links to other sites, so as to increase our exposure.

11) Clinic Vehicle:

LK will supply RM with a list of car parts required for a proper service, which will be sourced by RM.

12) It was agreed that the following topics will be held over until the next meeting:

- Functions
- Grants
- Membership
- Education
- Clinic Maintenance

13) Next Meeting:

It was agreed that future meetings would always be held on the last Thursday of every month at 12 am at La Galiniere Farm. The next meeting will be on the 27th of August.



Franschhoek SPCA
Financial statements
for the year ended 31 March 2020

Franschhoek SPCA

(Registration number: 930012659)

Financial Statements for the year ended 31 March 2020

Index

The reports and statements set out below comprise the financial statements presented to the management committee:

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Level of assurance

The financial statements are audited.

Published

3 December 2020

The financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the management committee on 3 December 2020 and were signed on its behalf by:


Chairman


Treasurer

Independent Auditor's Report

Other information

The management committee are responsible for the other information. The other information comprises the detailed income statement. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management committee for the Financial Statements

The management committee are responsible for the preparation and fair presentation of the financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Non-Profit Organisations Act of 1997, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the close corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the close corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the close corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Franschhoek SPCA

(Registration number: 930012659)

Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R	2019 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	19,982	52,599
Current Assets			
Inventories	4	29,081	35,227
Trade and other receivables	3	4,003	3,002
Cash and cash equivalents	5	413,566	257,275
		446,650	295,504
Total Assets		466,632	348,103
Equity and Liabilities			
Member's interest and reserves			
Retained income		354,590	348,103
Liabilities			
Current Liabilities			
Trade and other payables		112,042	-
Total Equity and Liabilities		466,632	348,103

Franschhoek SPCA

(Registration number: 930012659)

Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 April 2018	443,033	443,033
Loss for the year	(94,930)	(94,930)
Balance at 01 April 2019	348,103	348,103
Profit for the year	6,487	6,487
Balance at 31 March 2020	354,590	354,590

Note(s)

Franschhoek SPCA

(Registration number: 930012659)

Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

The financial statements have been prepared on a going concern basis in accordance with the basis of accounting as set out in Note 1 to the financial statements, and the Non-Profit Organisations Act of 1997. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the close corporation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the close corporation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the close corporation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings and fencing	Straight line	10 years
Clinic container and contents	Straight line	5 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Franschhoek SPCA

(Registration number: 930012659)

Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020 R	2019 R
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2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings and fences	326,168	(308,764)	17,404	326,168	(276,147)	50,021
Clinic container and contents	32,266	(29,690)	2,576	32,266	(29,690)	2,576
Motor vehicles	183,000	(182,999)	1	183,000	(182,999)	1
Office equipment	14,918	(14,917)	1	14,918	(14,917)	1
Total	556,352	(536,370)	19,982	556,352	(503,753)	52,599

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Buildings and fences	50,021	(32,617)	17,404
Clinic container and contents	2,576	-	2,576
Motor vehicles	1	-	1
Office equipment	1	-	1
	52,599	(32,617)	19,982

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Buildings	82,638	(32,617)	50,021
Leasehold property	2,576	-	2,576
Motor vehicles	1	-	1
Office equipment	1	-	1
	85,216	(32,617)	52,599

3. Trade and other receivables

Trade receivables		3,002
Staff loans	4,003	-
	4,003	3,002

4. Inventories

Medicine, food and other supplies	29,081	35,227
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STELLENBOSCH
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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

CREDITOR CONTROL FORM / KREDITEUR KONTROLE VORM

COMPANY DETAILS	CREDITOR CONTACT DETAIL / KREDITEUR KONTAK BESONDERHEDE (Supplier / Verskaffer, Organization / Organisasie)			
	REGISTERED NAME / GEREISTREERDE NAAM	Franschhoek SPCA		
	PHYSICAL STREET ADDRESS / FISIESE STRAAT ADRES:	POSTAL ADDRESS / POS ADRES: (if different to physical address)		
	STREET NAME: 1A La Provence Street SUBURB: Franschhoek North TOWN: Franschhoek POSTAL CODE: 7690	PO BOX 192 TOWN Franschhoek POSTAL CODE: 7690		
	TEL: 021 875 4808	FAX / FAKS: No Fax		
PERSON	CREDITOR CONTACT PERSON DETAIL / KREDITEUR KONTAK PERSOON BESONDERHEDE			
	NAME AND SURNAME / NAAM EN VAN	Michelle Connolly		
	TEL:	FAX / FAKS:	CELL / SEL: 072 622 5192	
	EMAIL / EPOS: chair@spcafhk.co.za			
BANK DETAILS	CREDITOR BANKING DETAIL / KREDITEUR BANK BESONDERHEDE:			
	NAME OF BANK / NAAM VAN BANK	Nedbank		
	BANK ACCOUNT NAME / BANK REKENING NAAM	Franschhoek SPCA		
	BANK ACCOUNT NUMBER / BANK REKENING NOMMER	167 001 9365		
	BRANCH NUMBER / TAKKODE:	167 005		
	ACCOUNT TYPE / TIPE REKENING	CHEQUE / TJEK		XX
		SAVING / SPAAR		
		TRANSM		
VAT REGISTERED / BTW GEREISTREER	YES / JA		VAT / BTW NO:	
	NO / NEE	XX		

SIGNATURE / HANDTEKENING: _____

OFFICE USE / KANTOOR GEBRUIK

CREDITOR NO / KREDITEUR NO: _____		
Create a new creditor / Skep van nuwe Krediteur Changing of creditors details / Verandering op Krediteur inligting Deleting of creditor / Uitsluiting van Krediteur		
REQUESTED BY: AANGEVRA DEUR:	DATE: DATUM:	DEPARTMENT: DEPARTEMENT
MOTIVATION: MOTIVERING:		
ENTERED BY: INGEVOER DEUR:	DATE: DATUM:	

Application of Municipal Grant Funding For 2020/2021

	Original Funding Requested	% of Original Total	Actual Funding Given	Money Spent As Of 31/03/2021
Animal Euthanasia	30,000	14	25,566	11,170
Sterilisation	130,000	59	110,786	27,000
*Education (Community Outreach)	12,000	5	10,226	22,550
Animal Medication	48,000	22	40,906	53,233
Total:	220,000	100	187,484	113,953

***Education (Community Outreach)**

Due to Covid19 we were unable to visit schools or run educational programmes. We also had to limit the clinic opening but this in turn led to more visits into the community itself. Obviously, we are always educating people in the community when we interact with them. This amount represents the transport costs associated with the increased community welfare patrols.

Out of the Ordinary®

**Investec Bank Limited**

100 Grayston Drive Sandown Sandton 2196
 PO Box 785700 Sandton 2146 South Africa
 T +27 (0) 11 286 7000 F +27 (0) 11 286 9555
www.investec.co.za

To whom it may concern

Investec hereby confirms that the following payment has been made:

Payment From	Rachel dt INCOM
Amount	200000.00
Payment Date from Investec	2021-01-15
Payment Reference	P0029076993
Beneficiary Account Name	FRANSCHHOEK SOCIETY FO
Beneficiary Bank	FIRST NATIONAL BANK
Beneficiary Branch Number	210202
Beneficiary Bank Account Number	62863602861
Beneficiary Reference or Account Number	RACHEL DT CHARITABLE

G.P.S. 001-0103



CERTIFICATE OF REGISTRATION OF NONPROFIT ORGANISATION

In terms of the Nonprofit Organisations Act, 1997, I am satisfied that.....
Franschhoek Society for the Prevention of Cruelty to Animals
.....
(name of the nonprofit organisation)

meets the requirements for registration.

The organisation's name was entered into the register on.....**21 February 2005**
.....
(date)

Registration number

037-649-NPO

Director's signature

Date**21 February 2005**.....

Department of Social



Development

02/06/11/07
by hand delivered



Tax Exemption Unit

Enquiries
Pakane Matau

Telephone
(012) 422-8815

Facsimile
(012) 422 8830/50

E-mail
pmatau@sars.gov.za

PBO No.
930012659

Reference No.
087/04/05

Date
21/11/2005

The Chairperson
SPCA Franschhoek
P.O. Box 89
FRANSCHHOEK
7690

Att: L.A. Wood

South African Revenue Service

1250 Pretorius Street, Hatfield, 0028

P.O. Box 11955, Hatfield, 0028

Telephone: (012) 422 8800

Fax No: (012) 422-8830

www.sars.gov.za

* please quote our reference number in
your correspondence with TEU

Dear Madam

SUBJECT: INCOME TAX EXEMPTION: SOCIETY FOR PREVENTION OF CRUELTY TO ANIMALS - FRANSCHHOEK

We write with reference to your application for Income Tax Exemption.

1. It is hereby confirmed that:-

- 1.1. the organization has been approved as a Public Benefit Organization in terms of Section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from Income Tax in terms of Section 10(1) (cN) of the Act, ✓
- 1.2. donations by or to the Public Benefit Organization are exempt from donations tax in terms of Section 56(1)(h) of the Act, ✓
- 1.3. bequests or accruals from the Estates of deceased persons in favour of the public benefit organization is exempt from the payment of Estate duty in terms of Section 4(h) of the Estate Duty Act, 45 of 1955 ✓
- 1.4. in terms of Section 4(1)(f) of the Stamp Duties Act, 1968, an any instrument which is executed by or on behalf of the Public Benefit Organization is exempt from stamp duty, if the duty thereon would be legally payable and borne by the Public Benefit Organization, and ✓

W/2000/11/01
by hand delivered

INCOME TAX

IT 150

Notification of registration

SPCA FRANCHHOEK
PO BOX 192
FRANSCHOEK
7690

Enquiries should be addressed to SARS:

Branch - TAX EXEMPTION UNIT

Pro Equity Court, 1250 Pretorius Street, Hatfield, 0083

PO Box 11955, Hatfield, 0028

Tel 012 - 422 8800

Fax 012 - 4228830

Always quote this reference number in correspondence with this office or during interviews.

Reference number : 9198/996/15/0

Date : 2005-05-16

04/06/06

The Income Tax Reference number allocated to this Company/Close Corporation and the name of the office where the Company/Close Corporation is registered as a taxpayer is shown above.

For ease of reference, your registered particulars are printed below. Please notify this office immediately in writing in case of incorrect or changed bank particulars.

Registered name : SPCA FRANCHHOEK

Trade name :

Postal address : PO BOX 192
FRANSCHOEK

Postal code : 7690

Registered address :

Postal code :
Magistrate district : VIP HEAD OFFICE
Co/CC number :
Other number :
Registration date : 2005-02-01
Nature of business :

Turnover :
Language : ENGLISH
Regional Service Council nr.:

Member/Shareholders/Directors detail

Initial(s) and surname : <NONE>

Income Tax number :
Identity number :

Partners details

Initial(s) and surname : <NONE>

Income Tax number :
Identity number :



Accounting. Payroll. Tax. Much More.

22 April 2021

To Whom It May Concern:

SPCA Franschhoek

(Tax Number: 9198996150)

(PAYE Number: 7330757040):

We act as accounting officer for the SPCA Franschhoek and would like to inform you that we are currently in the process of fixing the not compliant status of the SPCA Franschhoek with SARS due to previous returns that has been submitted incorrectly by their previous accountant.

Should you require any additional information please do not hesitate to contact our office.

Yours faithfully,

The Tax Shop Franschhoek

Practice No: 3178407

Per: Celia McGuinness

Membership No: 0963669

Contact details:

Telephone: 021 876 2676

Cell: 082 8040764

Email: franschhoek@taxshop.co.za



TAX COMPLIANCE STATUS

PIN Issued

FRANSCHHOEK SPCA
PO BOX 89
FRANSCHHOEK
7690

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9198996150

Always quote this reference
number when contacting SARS

Issue Date: 2021/04/19

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Franschhoek Spca
Trading Name	SPCA FRANSCHHOEK
Tax Reference Number(s)	IT - 9198996150 PAYE - 7330757040
Purpose of Request	Good Standing
Request Reference Number	0004574793GS1904211157372
PIN	C5E2G1F21Q
PIN Expiry Date	19/04/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely

ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

7.10.2	CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (LOCAL TOURISM) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022
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Collaborator No: 708311
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 June 2021

- SUBJECT: CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (LOCAL TOURISM) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022**

- PURPOSE**

To discuss and consider the funding applications for the 2021 / 2022 financial year received from external bodies performing a Municipal function as provided by the Policy for the Funding of External Bodies Performing a Municipal Function, read with Section 80(2) of the Municipal Systems Act No. 32 of 2000.

- DELEGATED AUTHORITY**

In terms of Section 7(2) of said policy the Grants Committee is delegated to allocate funds to External Bodies Performing a Municipal Function.

- EXECUTIVE SUMMARY**

In terms of Section 7(2) of the Policy relating to External Bodies Performing a Municipal Function of which budget allocation are delegated to the Grants Committee to make recommendations to Council, as approved by Council.

The notices of the applications for the funding of bodies performing a municipal function was advertised in the Eikestadnuus and the Paarl Post dated 06 May 2021, respectively and the Die Burger dated 07 May 2021, attached as **APPENDIX 1** of which the closing date to submit such applications was at 12:00 midday on 21 May 2021.

The following bodies submitted applications by the closing date for funding to perform the local tourism function for Council for the 2021 / 2022 financial year and this is compared with the funding granted for the 2020 / 2021 financial year:

Applicant	2020 / 2021	2021 / 2022
	Funding received in Rand Value	Funding Requested in Rand Value
Visit Stellenbosch	3 090 000.00	4 790 000.00
Dwarsrivier Tourism	430 000.00	<i>Including funding for Dwarsrivier Tourism Region</i>
Franschhoek Wine Valley Tourist Association	1 475 000.00	1 918 000.00
Total Funding Requested	4 995 000.00	6 708 000.00

Currently, Council has budgeted for R5 561 393.00 for the 2021 / 2022 financial year. This includes funding for the Updating of the Stellenbosch Municipality Heritage Inventory. The requested amount by all the bodies is thus R6 708 000.00 (Local Tourism Organisations) and R492 904.00 (Stellenbosch Heritage Foundation), which is a total requested funding of R7 200 904.00. The requested funding is thus exceeding the budgeted amount by R1 639 511.00.

The Directorate: Planning & Economic Development has prepared a draft Stellenbosch Economic Development Strategy, which identify that the Strategic Plan for Tourism must be developed in consultation with the tourism partners of the municipality, the linkage to such tourism partners is identified as the Local Tourism Organisations within the Stellenbosch Municipal Area. Therefore, the strategies which is prepared and submitted as part of the funding request is recommended as the Municipality's Tourism Strategic Plan for the 2021 / 2022 financial year.

5. RECOMMENDATIONS

With due regard for the importance of tourism to the South African economy it is necessary to give thought to Municipal funding against the desired outcomes, the capabilities and capacity of the funded entities to deliver quantifiable outcomes and practice safe stewardship of the funds granted.

In the light of the above and the reasons submitted in this report, the following is recommended to the Grants Committee for endorsement to Council for decision:

- (a) that the amount of R1 616 489.00 be allocated to Franschhoek Wine Valley Tourism Association (FWVTA);
- (b) that the amount of R3 452 000.00 be allocated to Visit Stellenbosch; and
- (c) that the Grants Committee recommends that Council approves and adopts the Franschhoek Wine Valley Tourism Performance Indicators 2021 – 2022, attached **APPENDIX 2**, as the Stellenbosch Municipality's Tourism Strategic Plan for the 2021 / 2022 financial year for the area covered by FWVTA, and
- (d) that the Grants Committee recommends that Council approves and adopts the Stellenbosch "A Dynamic Marketing Approach for Stellenbosch" and specifically the "Visit Stellenbosch: Marketing & Communications Strategy, 2021", the Dwarsrivier Tourism, attached as **APPENDIX 3**, as the Stellenbosch Municipality's Tourism Strategic Plan for the 2021 / 2022 financial year for the Visit Stellenbosch Area.

6. DISCUSSION /CONTENTS

The following applications for the funding of local tourism initiatives were received.

6.1 Franschhoek Wine Valley Tourism Association (APPENDIX 2)

Franschhoek Wine Valley ("FWVTA")		% of Funding
Administration	530 000.00	28%
LED	175 000.00	9%
Marketing	617 000.00	32%
Staff Costs	595 438.00	31%
TOTAL		1 918 000.00

Compliance checks

Franschhoek Wine Valley Tourism Association		Amount requested: R1 918 000.00
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	✓	30 June 2020
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 	✓	
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.	✓	Previous financials
6. If the Organisation received funding from other bodies, please identify and list the amounts received.	✓	
7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached.	✓	
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached.	n/a	
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached.	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	

The following performance indicators was submitted by Franschhoek Wine Valley programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 2021 / 2022 financial year in the below table:

AIM / OBJECTIVES	DESCRIPTION	AMOUNT in Rand	DEPARTMENTAL COMMENT	Recommended Funding
ADMINISTRATION	Audit & sundry office expenses	108 500.00	The Department <u>support and recommend the funding</u> as the Visitors Information Centre forms the core of an LTO's tourism function. Tourism is a municipal mandate as per schedule B of the Constitution of the Republic.	Funding amount supported.
	Computer Maintenance & Expenses	45 000.00		
	Electricity, Water & Refuse	41 362.00		
	Telephone and Fax	71 000.00		
	Rent, security & maintenance	117 700.00		
	Rental – Office Equipment	147 000.00		
Sub-total		530 562.00		530 562.00
LOCAL ECONOMIC DEVELOPMENT	Development Tourism Projects	70 000.00	<u>It is recommended that this programme be funded</u> , as it promotes the diversification and transforming of Tourism sector. It must however be noted that the funding requested 2020 / 2021 was R25 000.00 with clear projects identified. Therefore, the increase amount is not substantiated.	The Department recommends R75 000.00
	Emerging Business Mentorship	35 000.00		
	School Projects	20 000.00		
	Hospitality Tourism Training & Development	50 000.00		
Sub-Total		175 000.00		75 000.00
MARKETING	Brochures & Maps	55 000.00	<u>It is recommended that this programme be funded</u> . Part of the core function of a LTO. It must however be noted that the funding amount for the 2020 / 2021 financial year was R200 000.00. The FWV brand is primarily focussed on international tourists, and as a result of COVID-19 international tourism was	Based on the comment, the Department proposes R415 489.00.
	Trade Shows	35 500.00		
	Website & Digital Management	131 000.00		
	Social Media Marketing	82 500.00		
	Research & Statistics	98 000.00		
	Marketing Campaigns	215 000.00		

			restricted for the better part 2020. No additional motivation or reasoning was provided to support the increase of the funding 3 times the amount of the previous current financial year.	
Sub-Total		617 000.00		415 489.00
STAFF COSTS	Salaries	470 224.00	The Department <u>support and recommend the funding</u> as the Visitors Information Centre forms the core of an LTO's tourism function. Tourism is a municipal mandate as per schedule B of the Constitution of the Republic.	Funding amount supported.
	SDL & UIF & PAYE	102 214.00		
	Staff training & other	15 000.00		
	Staff Expenses	3 000.00		
	Workman's Compensation	5 000.00		
Sub-Total		595 438.00		595 438.00
TOTAL FUNDING		1 918 000.00		1 616 489.00

Franschhoek Wine Valley ("FWV") included all the required documentation and information to be considered and therefore it is thus proposed that the programmes as noted in the above table be funded in terms of the said policy for the 2021 / 2022 financial year which amount to **R1 616 489.00**.

6.2 Visit Stellenbosch (Appendix 3)

Visit Stellenbosch ("VS")		% of Funding
Visitor Information Centre	2 000 000.00	41%
Tourism Skills & Social Development	1 100 000.00	23%
Stellenbosch Wines (Wine Route)	420 000.00	9%
Dwarsrivier	600 000.00	13%
Taste Stellenbosch (Restaurants)	100 000.00	2%
Stay in Stellenbosch (Accommodation)	120 000.00	3%
Garden Week Stellenbosch	100 000.00	2%
Experience Stellenbosch (Sport, Outdoor & Adventure)	160 000.00	3%
Meet in Stellenbosch (Business Tourism)	200 000.00	4%
TOTAL	4 790 000.00	

Compliance checks

Visit Stellenbosch		Amount Requested R4 790 000
The following MUST accompany this application:		

1. A copy of the latest, audited financial statements.		30 June 2020
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive.	✓	
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.	✓	
6. If the Organisation received funding from other bodies, please identify and list the amounts received;	✓	
7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached;	✓	
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached;	n/a	
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached;	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	

The following performance indicators was submitted by Visit Stellenbosch programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 2021 / 2022 financial year in the below table:

PROJECT	PERFORMANCE TARGETS	BUDGET	DEPARTMENTAL COMMENT	RECOMMENDED BUDGET
SOCIO ECONOMIC DEVELOPMENT PROGRAMMES				
Youth training and employment in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	Implement the newly created employment website.	30 000.00	Stellenbosch Municipality has procured a Service Provider to develop a Jobseekers Database, which in its own is an employment database which aims to connect unemployed persons with job opportunities. The Department can therefore not support another employment system. It would be proposed that VS focus on placement of graduates and internships within the tourism industry. The funding of this project <u>is not supported.</u>	0.00
	Complete formal study on the employment expectations of formal tourism employers.	20 000.00		
	Offer support to participating colleges in the further development of their employability training offerings.	90 000.00		
	Promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	60 000.00		
Sub-Total		200 000.00		0.00
Trade and enterprise development for emerging community-based tourism service providers / entrepreneurs. Actively develop	Completion of market readiness development of 14 products / service providers	70 000.00	The <u>Department supports</u> the training of tour guides.	70 000.00
	Identify and develop 2 additional community-based products within market niche.	40 000.00	The Department does not support this project, as it is additional to the above training.	0.00
	Completion of	140 000.00	No clear description	0.00

tourism products and gain market access for participating service providers / entrepreneur.	production of professional marketing collateral for 16 products.		of this performance target is provided and <u>is not supported.</u>	
	Completion and launch international and local promotional campaigns focussed on the sale and promotion of our niche products.	300 000.00	The <u>Department support</u> the promotional campaigns related to niche products. The Department does however not support the entire budget.	100 000.00
	Initiate a direct sales service to procure group and event bookings.	200 000.00	The Department supports the project, but note that this project funding in essence must be funded by the members of VS.	100 000.00
	Establish a satellite VS office focused on niche product sales.	60 000.00	Department <u>does not support the funding of a satellite VS Office,</u> as the Dwarsrivier Office is already being funded as a secondary office.	0.00
	Offer a tourism focussed training programme for participating service providers and their staff.	60 000.00	The <u>Department does not support</u> this project as it must be included in the tour guides training above.	0.00
	Offer ongoing business support to participating services providers.	30 000.00	The <u>Department does not support</u> this project, as SMME training is a function which does not form part of the function being outsourced.	0.00
Sub-Total		900 000.00		270 000.00
EVENTS: WINE TOURISM				
Wine Town Stellenbosch will coordinate	Coordinate a programme including sporting	50 000.00	The Department supports the project.	50 000.00

a programme of events both across the Stellenbosch CBD as well as the winelands. The content will showcase innovation and leadership of the Stellenbosch wine industry through a series of smaller events.	events, big bottle party, etc.			
	Stellenbosch Fine Wine and Food Showcase.	150 000.00	The <u>Department supports</u> this event, as it provides Stellenbosch the opportunity to showcase to the international wine fraternity the quality and prestige wines of Stellenbosch.	75 000.00
	Extensive Marketing and communication plan, position Wine Town Stellenbosch as an annual must-do-event.	20 000.00	The <u>Department supports</u> this initiative.	20 000.00
Sub-Total		220 000.00		145 000.00
EVENTS: STELLENBOSCH STREET SOIREE AND OTHER EVENTS				
Events have the potential to attract high-value tourism. Stellenbosch Wine Route hosting various events to create economic opportunities.	Stellenbosch Street Soirees	50 000.00	The <u>Department supports</u> the initiative but need to take cognisance of the COVID-19 regulations.	50 000.00
	Woordfees activations	50 000.00	The Woordfees planned for September 2021 has effectively been cancelled, an email was sent in this regard. It was however noted that a pop-up festival channel is planned, which will air on DSTV. The <u>Department does support the pop-up initiative planner for October 2021.</u>	50 000.00
	Harvest Parade	100 000.00	The <u>Department supports</u> the initiative.	80 000.00

Sub-Total				180 000.00
EVENTS: GARDEN WEEK STELLENBOSCH				
Linked to the established national activation Garden Day, Stellenbosch will coordinate a programme of events under Garden Week Stellenbosch, enabling visitors to celebrate the beautiful public and private gardens and parks and drive interest / demand for overnight stays paired with programme events and dining in Stellenbosch. The event will aim to drive social cohesion and include all the communities of Stellenbosch.	Coordinate a 10-day of Garden Tours, Open Gardens, Activations in the CBD and Speakers Programme. Design a map and microsite to support programme.	50 000.00	The <u>Department supports the initiative</u> . It is however requested that this initiative be undertaken in consultation with the Municipality's Parks and Recreation Department.	50 000.00
	School Programme: Invite all schools across the Stellenbosch District to introduce an educational element to Garden Week.	20 000.00	The <u>Department supports the initiative</u> .	20 000.00
	Package Stellenbosch: Create packages with accommodation, meals and activities from the programme to make it easy for visitors to stay over and experience Stellenbosch.	No funds indicated.	No comment from the Department	0.00
	Community teas: On 17 October 2021, several dorpsies will host a tea for community groups	10 000.00	The <u>Department supports</u> this initiative.	10 000.00
	Extensive Marketing programme: Press releases, social media,	20 000.00	The <u>Department supports the initiative</u> .	20 000.00

	digital campaigns, influencer engagement, etc.			
Sub-Total				100 000.00
PROJECT: STAY IN STELLENBOSCH				
Increase over-night stays in Stellenbosch during off-peak periods	Stay Stellenbosch Campaign: Digital campaign to encourage overnight stays	50 000.00	The <u>Department</u> <u>supports</u> this initiative	50 000.00
	Increased and accelerated hosting of inbound tour operators	70 000.00	This initiative was already support as part of the SED Programmes and is therefore <u>not supported</u> .	0.00
Sub-Total				50 000.00
PROJECT: TASTE STELLENBOSCH				
Promote and position Stellenbosch as the leading culinary destination in South Africa.	Restaurant Month: Create top of mind awareness and maximise support and interest for the Taste Stellenbosch Restaurant Month.	80 000.00	The <u>Department</u> <u>supports</u> this initiative.	60 000.00
	Support Stellenbosch: An annual restaurant rewards scheme.	20 000.00	This initiative is <u>fully supported by the Department</u> , as it has been the lifeline for the restaurants in Stellenbosch to lure patrons to the facilities.	20 000.00
Sub-Total				80 000.00
EXPERIENCE STELLENBOSCH				
Make Stellenbosch the destination of sport, adventure, and outdoor enthusiasts.	Digital Campaign to position Jonkershoek as a 2 nd Tier destination to Table Mountain National Park.	80 000.00	The <u>Department</u> <u>supports</u> <u>the initiative</u> . It should be noted that the sporting events is not directly a tourism function, but the related spin-offs of such events may be related to	40 000.00

			marketing and other tourism activities, i.e. restaurants, guest accommodation, etc.	
	Unite the various cycling initiatives and organisations under an umbrella body to promote cycling activities and events in and around town. Develop an easy-to-use cycling and hiking map for the entire area.	80 000.00	The mandate of sports and recreation is under the Directorate: Community and Safety Services and there are several sports clubs and organisations registered within the Municipal Area. It is thus advisable that a sports collaboration whether for competition and / or recreation should include the relevant sporting organisations. The function of the LTO's would thus to market these events in conjunction with the event organisers and their sponsors, rather than arranging such sport events. Therefore, this <u>initiative is supported by the Department.</u>	60 000.00
Sub-Total				100 000.00
MEET IN STELLENBOSCH				
Capitalise on 2 nd Tier status to Cape Town and Meetings, Incentives, Conferences and Exhibitions ("MICE") and increase to	Host Business Tourism Showcase as a Business Tourism Destination. Invite Professional Conference Organisers ("PCO") and service providers	150 000.00	Stellenbosch Municipality, although one (1) of the major tourist attractions currently do not have the large conferencing facilities as Cape Town, i.e. Cape International	50 000.00

top 5 in Africa in International Congress and Convention Association ("ICCA") ranking.	to a 2-day educational introducing all the facilities Stellenbosch has to offer including accommodation, restaurants, venues, etc. Including a speaking programme.		Convention Centre and Century City Conference Centre, the latter currently undertaking a virtual conference centre as a result of the impact of the COVID-19 pandemic. Currently, The City of Cape Town is funding WESGRO to promote the City as a destination choice for MICE.	
	Host shoulder events to main tourism events in Cape Town and Durban, e.g. WTM and Indaba, where applicable. Capitalise on media, operators, corporates, etc which will be in the area and invite them to promotional experiences.	50 000.00	This initiative and the possible funding therefore must be considered taking into consideration the need for such a large conferencing facility and need in the Stellenbosch Municipal Area, which must be submitted with the relevant demand analysis, taking into consideration to pandemic and the appetite for "business as usual" conferencing approach. At this stage, no substantive data have been submitted to suggest that its conferencing will indeed be required in Stellenbosch, therefore the <u>Department support this initiative,</u> with the intention to test	50 000.00

			the market 'appetite' to host such conferencing proposals within the Stellenbosch Municipal Area.	
Sub-Total				100 000.00
STELLENBOSCH VISITORS' INFORMATION CENTRE				
Offer and operate a Visitor's Information Centre providing a frictionless visitor experience.	Operate a visitor centre 362 days per year. The visitor services centre provides information and aid to any current or potential tourists within a destination and its surrounding areas. The centre acts as the main point of contact for tourists' travel planning enquiries, as well as place where local businesses and travel agencies can go to promote their products and services. The visitor centre collects key data (visitor numbers, requirements, destination of origin, etc) Shared operational costs including premises, telephone, internet, cleaning, security, etc.	1 500 000.00	The <u>Department supports the initiative</u> , as this is the core function of the LTO's. It must however be noted that the LTO must be able to monitor and provide substantive data on virtual and online visitors numbers and enquiries.	1 500 000.00

	<p>High-level international marketing campaign to promote Stellenbosch to key source markets, including Germany, UK, USA, etc.</p> <p>Develop messaging and collateral, including video and photography elements for different target audiences, rolled out on digital platforms, market access opportunities, for operator and trade show activations.</p>	500 000.00	<p>The Department notes that the tourism industry was significantly impacted through the COVID-19 pandemic, and a main result of this was that limited to no international tourists were permitted to enter the borders of South Africa.</p> <p>It is currently a strategy for a number of European countries to promote such destinations with a package which include a vaccine injection on arrival.</p> <p>It is thus important for Stellenbosch to ensure that its international tourism market is kept up to date of the offerings of the Municipal Area, and the current and future promotional products for the industry, which will grow the appetite for international tourists to return in larger amounts to the Municipal Area.</p> <p>The <u>initiative is thus supported.</u></p>	400 000.00
Sub-Total				1 900 000.00
DWARSRIVIER TOURISM RESEARCH, BRAND DEVELOPMENT AND MARKETING / COMMUNICATION STRATEGY				
Offer and operate a Visitor	Develop a Destination Brand and Strategy	50 000.00	The <u>Department supports the develop of the</u>	50 000.00

Information Centre providing a frictionless visitor Experience.	Extensive Research must be completed w.r.t. the resources, products and service providers.		<u>strategy for Dwarsrivier</u> as a region and extension to Stellenbosch.	
	Compile a full Brand DNA report including mission, vision, objectives, goals, define, audiences, target markets, brand personality, tone of voice, ambitions, etc.	100 000.00	The Department supports the initiative as proposed by the LTO.	100 000.00
Sub-Total				150 000.00
DWARSRIVIER INFORMATION CENTRE				
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience.	<p>Operate a visitor centre 362 days per year. The visitor services centre provides information and aid to any current or potential tourists within a destination and its surrounding areas.</p> <p>The centre acts as the main point of contact for tourists' travel planning enquiries, as well as place where local businesses and travel agencies can go to promote their products and services.</p> <p>The visitor centre collects key data (visitor numbers,</p>	200 000.00	The <u>Department supports the initiative</u> , as this is the core function of the LTO's. It must however be noted that the LTO must be able to monitor and provide substantive data on virtual and online visitors numbers and enquiries	200 000.00

	requirements, destination of origin, etc) Shared operational costs including telephone, internet, cleaning, security, etc.			
	Marketing: Invest in marketing opportunities, printed and digital collateral to support the promotion of Destination Dwarsrivier.	100 000.00	The <u>Department supports this initiative.</u>	80 000.00
Sub-Total				280 000.00
DWARSRIVIER: PROJECTS – GARDEN WEEK & OTHER EVENTS				
Linking in with garden day and Garden Week Stellenbosch, Dwarsrivier plans to activate on various fronts. Using events to create economic opportunities and showcase the treasures of the valley.	Garden Tours: Assist and support private gardeners to get their gardens ready to be included in the Private Garden Tour, signage, collateral, maps, admin and logistical assistance.	10 000.00	The <u>Department supports the initiative.</u> It is however requested that this initiative be undertaken in consultation with the Municipality's Parks and Recreation Department.	10 000.00
	Programme and workshops: Offer a speaking programme and several showcases such as chrysanthemum growing workshop, open garden at Johannesdal and other well-known gardens in the area.			20 000.00

	Community social cohesion: Activate several celebratory events, celebrating gardening on 17 September. Invite members of the community and general public to attend an event to share cultures and experiences and customs.	20 000.00	The <u>Department does not support this event</u> , as these activities must form part of the other initiatives recommended for funding.	0.00
Sub-Total				30 000.00
OTHER EVENTS WITHIN TE DWARSRIEVER REGION				
Use of events to drive positioning, economic opportunities and destination visibility for Dwarsrivier.	Adam Small Festival: A celebration of Small's contribution to Afrikaans. Event logistics and collateral, marketing, photography, speakers programme.	33 000.00	The <u>Department supports the initiative</u> , which is a unique event to the Dwarsrivier region.	33 000.00
	Chrysanthemum Festival: A highlight on the Dwarsrivier calendar – young and old, should attend the exhibition held at the Pniel Tea Garden and Museum.	34 000.00	The <u>Department supports the marketing of this event</u> .	34 000.00
	Slawedag / Slaveday	33 000.00	The <u>Department does not support this event</u> , as such event must clearly incorporate the other areas in the Municipal Area.	0.00
Sub-Total				67 000.00
TOTAL FUNDING		4 790 000.00		<u>3 452 000.00</u>

Visit Stellenbosch included all the required documentation and information to be considered for funding. The organisation also noted that it aims to generate additional funding of R2 800 000.00 from other funding resources which include but is not limited to donations, Cape Winelands District Municipality, Wine Tourism Membership, Other Members and Stellenbosch Publicity Marketing. Although, the total municipal funding proposed is R4 790 000.00 which include funding for Dwarsrivier Region, the Department had to carefully consider the economic impact the funding proposals would have within the Stellenbosch Municipal Area.

The proposals thus set out in the Stellenbosch “A Dynamic Marketing Approach for Stellenbosch” and specifically the “Visit Stellenbosch: Marketing & Communications Strategy, 2021”, to this report, is seen as the Stellenbosch Municipality “Tourism Strategic Plan” for the financial year 2021 / 2022, and it is recommended that Council adopt this strategic plan, and that the outcomes be shared with Franschhoek Wine Valley Tourism Association to incorporate these proposals as part of future planning for the Franschhoek region.

6.3 Impact of Covid-19 on funding programs

It should also be noted that promulgation of the national disaster (COVID-19 pandemic) in terms of the National Disaster Act, Act 57 of 2002 by the President of the Republic of South Africa from 28 March 2020 and the impact of the lockdown regulations with the systemic unlocking of economic activity, had and still has a significant impact on the ability of the external bodies to perform the required function.

Tourism within the Stellenbosch Municipality was largely geared to the international market, and specifically Franschhoek. It is noted that Visit Stellenbosch has during the current financial year implement various measures to lure domestic tourism to Stellenbosch and have launch the Support Stellenbosch Campaign which targeted mainly domestic tourists. Visit Stellenbosch has also commissioned the Stellenbosch University’s Bureau for Economic Research (“BER”) to evaluate the Impact the Support Stellenbosch Campaign had within Stellenbosch. A copy of the research report is attached as **APPENDIX 4** to this report. It is recorded that the campaign was a major success based on the current economic trend, which is compared to other municipalities within the Western Cape outside of the metro, and that the effective date tourism could operate was 17 June 2020.

Franschhoek has however struggled to recover, as their business model was solely based on internal travellers and the consistent lack of the country to open travel for such guests, as left the once thriving tourist destination in despair, with the wine-tram being the most note-worthy attraction for domestic tourists.

The country is also entering the third-wave of the pandemic with the vaccination drive commencing at a slow rate, compared to other countries, it is still at this stage unclear when the country will re-open its borders for international tourism, and therefore to revival of Franschhoek Tourism.

6.4 Evaluation of funding requests

Based on the factors mentioned in point 5 & 6 of this report, it is clear that only two (2) organisations have submitted applications and also qualified to be considered for funding, which is FWVTA and Visit Stellenbosch.

6.5 Financial Implications

A total current budget approved for the allocation of external bodies performing a function of Council is R5 561 393, and the current proposed budget to be allocated to the Local Tourism Organisations are R5 068 489 000. The Department also included the request for funding external bodies to undertake the function of Updating and Managing the Stellenbosch Municipality’s Heritage Inventory, and currently the only organisation that submitted a proposal was Stellenbosch Heritage Foundation for R492 904.00. Thus, the

total proposed allocated budget for the 2021 / 2022 financial year, would equal the amount of R5 561 393.00. This is equal to the approved budget of Council.

6.6 Legal Implications

The recommendations in this report comply with Council's policies and applicable legislation and the approved Policy for the Financing of External Bodies Performing a Municipal function.

The successful applicants are required to submit quarterly reports reflecting accurately the application of the funds allocated and using the reporting template which will be provided by Council to them as specified in the Memorandum of Agreement ("MOA") which they are required to enter into with the Municipality.

6.7 Staff Implications

None

6.8 Risk Implications

The LTO's is an entity funded to undertake a function of Council and is therefore also subject to reporting to the Auditor-General in terms of their Annual Financial Statements ("AFS") in terms of the Municipal Finance Management Act, Act 56 of 2000. Therefore, the Department will draft a reporting template to ensure that the financial reporting will be in accordance with the required financial reporting in terms of the relevant Generally Recognised Accounting Practices ("GRAP") and the MOA as signed with Council.

RECOMMENDATIONS FROM THE GRANTS-IN-AID COMMITTEE TO THE EXECUTIVE MAYOR: 2021-06-09: ITEM 3.2

- (a) that the amount of R1 616 489.00 be allocated to Franschhoek Wine Valley Tourism Association;
- (b) that the amount of R3 452 000.00 be allocated to Visit Stellenbosch;
- (c) that Council approves and adopts the Franschhoek Wine Valley Tourism Performance Indicators 2021 – 2022, attached **APPENDIX 2**, as the Stellenbosch Municipality's Tourism Strategic Plan for the 2021 / 2022 financial year for the area covered by the Franschhoek Wine Valley Tourism Association; and
- (d) that Council approves and adopts the Stellenbosch "A Dynamic Marketing Approach for Stellenbosch" and specifically the "Visit Stellenbosch: Marketing & Communications Strategy, 2021", the Dwarsrivier Tourism, attached as **APPENDIX 3**, as the Stellenbosch Municipality's Tourism Strategic Plan for the 2021 / 2022 financial year for the Visit Stellenbosch Area.

APPENDICES

Appendix 1:	Advertisement
Appendix 2:	Franschhoek Wine Valley Tourism Association Submission
Appendix 3:	Visit Stellenbosch Submission
Appendix 4:	Evaluating the Impact of the Support Stellenbosch Campaign, compiled by the Stellenbosch University's Bureau for Economic Research

APPENDIX 1

Health-work training now offered

Registration for free, high-demand skills training for unskilled, semi-skilled and unemployed persons has opened up to the public at the Stellenbosch-based NGO, Bergzicht Training.

"I would really like to encourage unskilled, semi-skilled, and unemployed persons to register at Bergzicht Training, as they will be able to learn basic accredited skills in the shortest period of time to obtain full-time employment," said Renske Minnaar, the institution's CEO.

During May and June registration for the HWSETA-accredited health and frail care, certified child care and QCTO Food Service Assistant programmes will be accepted.

Those who are accepted for training will first have to complete the iPOWER (Self-Empowering) Foundation programme. This compulsory entry-level programme takes place over 17 days and teaches participants basic life skills, personal health, cleaning, laundry and cooking skills.

According to Minnaar, job placement rates for 2020 graduates remain high, mainly because Bergzicht Training has always focused on providing training on in-demand skills. The Child Care programme graduates of 2020 had a work placement rate of 80%, with graduates placed as teaching assistants or au pairs.

The rate for Health and Frail Care graduates who are placed in home-based care, hospitals and private, assisted living establishments is 68%. Despite the challenges brought about by Covid-19 in the hospitality industry, 75% of the 2020 Food Service Assistant programme graduates were placed, only



Xoliswa Ntshinga (left) and John Kannemeyer both completed Bergzicht Training's HWSETA-accredited Health and Frail Care programme and are now working as health-care workers.

5% lower than the usual placement rate.

"Our aim is to empower unemployed people by providing them with relevant skills which are in high demand in the job market and to find long-term solutions to unemployment in Stellenbosch," Minnaar added.

Since being established in 1992, Bergzicht Training has been committed to skills development and has empowered more than 13 000 people from disadvantaged communities across the Western Cape. Their mission is to provide individuals with quality certified, accredited skills coupled with mentorship and support to enable them to find employment. Unemployed persons who have completed Grade 10, and have good English written and verbal communication skills should

apply for Bergzicht's Training programmes.

The Child Care, and the Health and Frail Care programmes are best suited to persons aged 30 and above. Only one Child Care programme will be offered in 2021, and is presented over 13 weeks. The programme includes the completion of a Level-1 first aid course. The Health and Frail Care Programme is a full-time, 15-week programme consisting of on-campus theoretical work and a work-integrated learning opportunity at one of 26 health and frail-care institutions and retirement facilities in the Western Cape.

Persons below the age of 26 are encouraged to register for the QCTO Food Service Assistant programme, which is presented in partnership with

"Our aim is to empower unemployed people by providing relevant skills"

The Chefs Training & Innovation Academy (CTIA) at their Stellenbosch campus over a period of 10 weeks. Included is the seven-week on-campus training and a three-week work-integrated learning opportunity at a range of hospitality and tourism organisations. "Support Stellenbosch, a Stellenbosch online platform initiative, has partnered with Bergzicht to develop a talent recruitment platform to give improved and more effective employer reach to our graduates for employment," says Minnaar.

The three training programmes are provided at no financial cost to participants, however, there is a small commitment registration fee of R65 for the iPOWER Programme. The costs for the Food Service Assistant programme is R160 for registration and R200 for the chef's uniform. The Child Care programme's fees are R160 and the Health and Frail Care programme's fees are R160 for registration and R300 for the uniform.

If you wish to register for this programme, you can visit the centre or contact Ingrid Andrews at 021 883 3525. You can also send a message to the WhatsApp number 071 637 3029 or e-mail Abigail Barnard at reception@bergzicht.org.za. Further information is available at www.bergzichttraining.com or on Bergzicht Training's Facebook page.



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Municipal Notice 34/2021

NOTICE:

APPLICATIONS FOR THE FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION PROVIDED BY THE POLICY FOR THE FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT: SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022

Notice is hereby given to external bodies performing a Municipal Function as provided by the Policy for the Funding of Bodies Performing a Municipal Function read with Section 80(2) of the Local Government: Municipal Systems Act, Act 32 of 2000, and who qualify for financial assistance, to apply in line with the aforementioned policy of the Stellenbosch Municipality.

Only organisations within the Stellenbosch (WC024) Municipality's administrative boundaries that provide a Municipal Function(s) for:

- Local Tourism; and
- Management and updating the Stellenbosch Municipality Heritage Inventory

Only applications received on the prescribed application form and accompanied by the required information, documentation, financial statements, covering letter, and supporting documentation received by the Office of the Manager: Economic Development & Tourism by no later than 12:00 midday on 21 May 2021 will be considered. Applicants will also be required to conduct a presentation, as noted in the application form, to the Evaluation Panel.

Copies of the said policy and application form is available during office hours from the Offices of the Section: Economic Development & Tourism located at:

- 58 Andringa Street, Stellenbosch, 7600
- or by email from:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Downloadable copies of the documents are available on the Stellenbosch Municipal official website at: www.stellenbosch.gov.za

GARALDINE METTLER
MUNICIPAL MANAGER
APRIL 2021

Notice No:

Munisipale Kennisgewing 34/2021

KENNISGWING:

AANSOEK OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERVAT IN DIE BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG, SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSWET, WET 32 VAN 2000 VIR DIE 2021 / 2022 FINANSIELE JAAR

Kennisname geskied Hiermee vir Eksterne Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Entiteite wat 'n Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelswet, Wet 32 van 2000 en wat kwalifiseer vir finansiële hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesel word van al die gevraagde inligting, dokumentasie, finansiële state, dekkingsbrief, en stawende dokumentasie wat ontvang word by die Kantoer van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen 12:00 middag op 21 Mei 2021 sal oorweeg word. Aansoekers sal ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueringspaneel.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Aflaaibare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

Past lives at Grosvenor House

Taking our taste buds back in time, the Stellenbosch Museum has partnered up with some of Stellenbosch's culinary wizards for a 19th-century bake sale in celebration of International Museum Day.

Guests will be welcomed to the historic Grosvenor House garden by hostesses in Georgian-era gowns. There they may sample cakes, tarts, and treats made by Stellenbosch's bakers (including the popular Dorp Street Cafe, The Blue Crane and the Butterfly) from handwritten recipes recorded in 1819 by Mrs Catharina Maria Blankenberg (1781-1873) of Stellenbosch.

To go with the delicacies, Stellenbosch University's String Quartet will grace the garden with music from that century. Rebuilt in 1803 (originally built in 1782), Grosvenor House's neoclassical facade remains a prominent feature of Stellenbosch's old time. Christiaan Ludolph Neethling, Secretary of the Council of Justice, was Grosvenor House's first owner, and every successive occupant left the property virtually unchanged.

This year it will see culinary history come alive in keeping with International Museum Day's theme for 2021, "The Future of Museums: Recover and Recreate".

Join us at Grosvenor House, 10 Drostdy Street on 15 May from 09:00 to 13:00. Guests are encouraged to book tickets at R20 per telephone, but entry may also be purchased at the door. For bookings and enquiries, contact the Stellenbosch Museum at 021 887 2937.

Little TV star wants to be a doctor

Liezl Davids

Faith Beukes, a Grade 3 learner at La Rochelle Girls' Primary school made her debut on television in the new series, *Skemerdans*.

In *Skemerdans*, set in the Cape Flats, the owner of a jazz club is murdered, leading to a deadly power struggle.

Faith plays the role of Coco, the daughter of Chanel Adonis (Kim Syster) and Warren Fortune (the late Ceagan Arendse who was also from Paarl). Paarlite Ephraim Gordon is the co-director of *Skemerdans*.

The eight year old Faith says she did not imagine being in a real television programme, but that she will definitely like to be in another series or in a movie, because she loves being on set.

She says that even before *Skemerdans* she enjoyed entertaining her family and friends.

"Doing the recording of the series was fantastic and very exciting. I got to meet real actresses," Faith said.

According to her one of the best parts of being on set was getting her make-up done.

"There were so much make-up brushes and so many



Faith Beukes in school kit.

colours. And the make-up artist allowed me to do her hair and her make-up, it was so awesome!"

And how did this little girl juggle being an actress and a learner? "Lucky for me, all my call outs were after school and during the school holiday."

"I am very excited for my appearance on TV for both my friends and family and myself because it is my first time being on TV." She said when her friends heard the news that she will be on TV, they congratulated her and said they could not wait to see her on TV.

This little bubbly girl says that one day she would like to be a doctor at Paarl Hospital and she would also like to be

"We are immensely proud of Faith's dedication and confidence..."

an actress. Her favourite local actor is Danny Ross and her favourite actress is Kim Syster.

And besides being an actress her hobbies include singing, riding bike, roller skating, dancing and camping. Faith also loves to participate in sport and takes part in netball, swimming, hockey, gymnastics and tennis.

"We are immensely proud of Faith's dedication and confidence to pursue the goals she set for herself at this young age."

"We pray God's protection and guidance over her precious life. Faith has always been an entertainer and lives for the moment. As a family we are thankful for the opportunity and shares in Faith's excitement," said Shirlenne Asia on behalf of Faith's family.

● Klein Larrie, Faith Beukes (8) is te sien in *Skemerdans*, 'n nuwe reeks op Showmax.



Tafelronde Paarl 44 versamel doppies

Tafelronde Paarl 44 het ses maande lank doppies en etikette versamel. Paarl 44 het omtrent ses groot bokse ingesamel. Hulle het dit aan Silwerkruin-tahuis vir bejaardes in Wellington geskenk. Hulle sament dit in om 'n rolstoel in ruil daarvoor te kry.



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Municipal Notice 34/2021

NOTICE:

APPLICATIONS FOR THE FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION PROVIDED BY THE POLICY FOR THE FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT: SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022

Notice is hereby given to external bodies performing a Municipal Function as provided by the Policy for the Funding of Bodies Performing a Municipal Function read with Section 80(2) of the Local Government: Municipal Systems Act, Act 32 of 2000, and who qualify for financial assistance, to apply in line with the aforementioned policy of the Stellenbosch Municipality.

Only organisations within the Stellenbosch (WC024) Municipality's administrative boundaries that provide a Municipal Function(s) for:

- Local Tourism; and
- Management and updating the Stellenbosch Municipality Heritage Inventory

Only applications received on the prescribed application form and accompanied by the required information, documentation, financial statements, covering letter, and supporting documentation received by the Office of the Manager: Economic Development & Tourism by no later than 12:00 midday on 21 May 2021 will be considered. Applicants will also be required to conduct a presentation, as noted in the application form, to the Evaluation Panel.

Copies of the said policy and application form is available during office hours from the Offices of the Section: Economic Development & Tourism located at:

- 58 Andringa Street, Stellenbosch, 7600
- or by email from:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Downloadable copies of the documents are available on the Stellenbosch Municipal official website at: www.stellenbosch.gov.za

GARALDINE METTLER
MUNICIPAL MANAGER
APRIL 2021

Notice No:

Munisipale Kennisgewing 34/2021

KENNISGWING:

AANSOEK OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERTAL IN DIE BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPAL FUNKSIE VERRIG, SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSWET, WET 32 VAN 2000 VIR DIE 2021 / 2022 FINANSIELE JAAR

Kennisname geskied Hiermee vir Eksterne Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Entiteite wat 'n Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelswet, Wet 32 van 2000 en wat kwalifiseer vir finansiële hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesol word van al die gevraagde inligting, dokumentasie, finansiële state, dekkingsbrief, en stawende dokumentasie wat ontvang word by die Kantoor van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen 12:00 midday op 21 Mei 2021 sal oorweeg word. Aansoekers sal ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueeringspaneel.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Afhaalbare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

Moeders kan wen

Dis Sondag Moedersdag en tyd om aan alle ma's ons liefde te wys.

Een gelukkige *Paarl Post*-ma kan die volgende wen: 'n heerlike geskenk, 'n koekterapie-ervaring by Oude Wellington vir drie mense (kinders of vriendinne) ter waarde van R1 000 (geldig vir 'n weekdag), drie cake pops, blomme en mini-jenewer en tonklum van The Cake Pop Company, 'n stel leesboeke asook drie bottels witwyn van Du Toits Kloof-kelder. Vind eenvoudig die versteekte Moedersdag-groete in vandeeweek se *Paarl Post* en WhatsApp die bladsy nommer na 066 484 3728 saam met jou naam voor 14:00 eerskomende Vrydag 7 Mei.



RE-USE OF FAMILY GRAVES

Burial space has been a hot topic in recent years and municipalities are making alternative plans to stretch the capacity that it has. Throughout the centuries, mankind has been laid to rest in various ways that includes inground burials. This method of burials (interment) creates a lot of challenges more spaces and plays the lifespan of existing cemeteries under tremendous pressure.

Based on the aforementioned, Drakenstein Municipality promotes and encourage its residents to consider alternative burial methods such as cremation and recycling of family graves.

Recycling of family graves involves multiple burials (interments) within the same family grave and the process might include the exhumation of remains into a small coffin. This smaller coffin with the remains will be buried again in the same grave and this space that was created in the grave as a result of the exhumation will allow new space for multiple family burials in the same grave.

The recycling of family graves has the following advantages:

- It is only available to family members of the same family and can accommodate up to four people of the same family in one grave over a period of time;
- It is cost effective due to grave recycling rates being much lower than single burial rates;
- Reduction of funeral costs.

DR J H LEIBBRANDT
CITY MANAGER
Paarl Post 6/5/2021

KENNISGEWINGS

Request for Proposals South African National Parks (SANParks) Table Mountain National Park Table Mountain National Park Apostle Battery accommodation and related tourism facilities

In line with SANParks' Strategic Plan for Commercialisation, SANParks intends to form a public private partnership (PPP) that gives a selected private party the rights to the appropriate commercial use of all the buildings, its natural and heritage components of the Apostle Battery site - A, B and C through a public private partnership (PPP) agreement. The Apostle Battery A, B and C sites and related tourism facilities cannot be taken separately and the private party is requested to tender for the entire Apostle Battery product. The private party is requested to operate, manage, and maintain all the facilities as mentioned.

SANParks invites prospective investors and operators to submit bids in line with SANParks' mandate and aims, in response to the SANParks' specifications and objectives for this tourism PPP opportunity.

SANParks will enter into a PPP agreement with the winning bidder for which is determined by the capital investment for a period of forty years likely to provide a fair return on investment for the private party. In return, the private party will meet agreed financial, environmental, operational and Broad-Based Black Economic Empowerment obligations, and pay a PPP fee to SANParks.

The request for proposals (RFP) document, containing all bid specifications and the draft PPP agreement, is available on our website www.sanparks.org

Enquiries can be sent to Wendy Davids, e-mail address: wendy.davids@sanparks.org

A due diligence briefing meeting for prospective bidders will be held via MS Teams on 19 May 2021 at 11h00. Please download the MS Teams app. Please mail us by 17 May 2021 to confirm your attendance for both the due diligence briefing and site meetings.

A due diligence site meeting for prospective bidders will be held at the Apostle Battery site, Table Mountain National Park on 25 May 2021. You must register your attendance as due diligence site meeting for prospective bidders will adhere to strict COVID-19 protocols such as social distancing, hand sanitizers, and the compulsory wearing of face masks, among others to ensure that our staff and visitors are safe.

Bidders are required to submit proposals, only in the format given in the RFP document to the South African National Parks, 643 Leyds Street, Muckleneuk, Pretoria, before 11:00. Closing date is the 13 September 2021 at 11h00. No late bids will be accepted.

The regulatory provisions for tourism PPPs can be found on www.ppp.gov.za.



TENDERKENNISGEWING: T53/20/21

LEWERING VAN ASFALTDIENSTE IN DIE SWARTLAND MUNISIPALE AREA VIR DIE TYDPERK TOT 30 JUNIE 2022

Swartland Munisipaliteit vra hiermee tenders aan vir die lewering van asfaltdienste in die Swartland Munisipale Area vir die tydperk tot 30 Junie 2022.

Tenderaars moet oor 'n CIDB-registrasie in 'n SB-klas vir konstruksiewerk beskik met 'n graderings-toekenning gelykstaande aan of hoër as die gradering wat bereken word op grond van die tenderbedrag of 'n waarde soos bepaal deur Regulasie 25 (1B) of 25(7A) van die Konstruksiebedryf-ontwikkelingsregulasies, 2004 (soos gewysig). Die geskatte waarde van die kontrak is tussen R20 miljoen en R60 miljoen.

Voorkeur sal gegee word aan tenderaars wat aan die kriteria voldoen wat in die Tenderdata gespesifiseer is. Slegs tenderaars wat aan die nakomingskriteria in die Tenderdata voldoen, sal toegelaat word om tenders in te dien.

Tenderdokumente kan vanaf Maandag, 10 Mei 2021 gedurende kantoorure vanaf 09:00 by die Kantore van die Direkteur: Siviële Ingenieursdienste, Swartland Munisipaliteit, Piet Reliefstraat, Malmesbury afgehaal word. 'n Nie-verhaalbare tenderfoel van R120,00, in kontant is aan die Swartland Munisipaliteit, betaalbaar by die afhaal van tenderdokumente.

'n Verteenwoordiger van die Munisipaliteit sal op aanvraag beskikbaar wees om hulp te verleen met die voorbereiding van tendervoorleggings, met uitsondering van die bepaling van die tenderprys. Tenderaars word versoek om mnr. Jonne Pieters by tel. 022 487 9400 voor die tendersluitingsdatum te skakel met navrae rakende die voltooiing van die skedule of tegniese of ander inligting oor die tender.

'n Verpligte opklaringsvergadering met verteenwoordigers van die Werkgewer sal op Dinsdag, 18 Mei 2021 om 10:00 registrasie sluit om 10:05 by die Swartland Munisipale Kantore, PEP Gebou, op die hoek van Hill- en Piet Reliefstrate in Malmesbury, plaasvind.

Tenders sal geëvalueer word ingevolge die Raad se Voorkeurvrykrygingsbeleid en die aangehegte spesifikasies. Die kontrak sal ingevolge die 80/20-voorkeurpuntstelsel geëvalueer word. Die Voorkeurvrykrygingsbeleid is gedurende normale kantoorure ter insae by die munisipale kantore beskikbaar.

Die Swartland Munisipaliteit onderskryf en ondersteun die Regering se Swart Ekonomiese Bemagtigings-program en is daartoe verbind om die ongelykheid van die verlede reg te stel. Tenderaars wat wil kwalifiseer vir die voordele van B-BBEE, moet Bylaag MBD 6.1 (deel van die tenderdokument) volledig voltooi ten einde punte te ontvang. Voorkeurpunte MOET ook in paragraaf 6.1 geëis word. Tenderaars word versoek om oorspronklike en geldige B-BBEE-statusvlak verifiëringstifikate of gewaarmerkte afskrifte daarvan in te dien, ten einde hul B-BBEE-graderingseise te substansieer. Die Munisipaliteit behou die reg voor om bewyse van bemagtiging aan te vra en te verseker dat die skap van werksgeleenthede teen gepaste vergoeding wel aan histories-benadeelde individue beskikbaar gestel word.

Volledig voltooid tenders 'n geseëde kovert, duidelik gemerk "T53/20/21: LEWERING VAN ASFALTDIENSTE VIR DIE TYDPERK TOT 30 JUNIE 2022", en met die naam en adres van die tenderaar, moet voor 12:00 op Vrydag, 11 Junie 2021, in die tenderbus by die Munisipale kantore, Kerkstraat 1, Malmesbury ingedien word, waarna tenders in die openbaar bekendgemaak sal word.

Laat tenders sal nie aanvaar word nie en die Munisipaliteit word nie daartoe verbind om die laagste, 'n gedeelte van 'n tender in geheel te aanvaar nie. Die Munisipaliteit behou die reg voor om enige deel van die projek weg te laat. Geen tender sal per telefoon, faksimile of e-pos aanvaar word nie. Tenderaars mag slegs op die uitgereikte tenderdokumentasie ingedien word. Voorskryfte vir die versending, adressering, aflewering, opmaak en beoordeling van tenders word in die Tenderdata uiteengesit.

MUNISIPALE KANTOOR
PRIVAAT SAK X52
MALMESBURY
7 MEI 2021

JJ SCHOLTZ
MUNISIPALE BESTUURDER

www.swartlandmunicipality.co.za 142404



STELLENBOSCH STELLENBOSCH • PNIEL • FRANSCHHOEK MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Municipal Notice 34/2021

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- Management and updating the Stellenbosch Municipality Heritage Inventory

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- or by email from:
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GARALDINE METTLER
MUNICIPAL MANAGER
APRIL 2021

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Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

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Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro { Sharon.Pedro@stellenbosch.gov.za }. Tel: 021 808 8974

Aflaaibare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

APPENDIX 2



STELLENBOSCH

STELLENBOSCH • PN IEL • FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A Registered name of organisation:

FRANSCHHOEK WINE VALLEY TOURISM ASSOCIATION.....

B Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation):

BUSINESS FOUNDED AND REGISTERED IN OCTOBER 2003

INFORMATION CENTRE AND TOURISM SERVICES TO LOCAL AND INTERNATIONAL VISITORS.

DESTINATION MARKETING FOR ALL MEMBERS OF THE ASSOCIATION INCLUDING VIGNERONS DE FRANSCHHOEK, ACCOMMODATION, RESTAURANTS, RETAIL, ART GALLERIES AND SERVICES.

SOCIAL DEVELOPMENT PROJECTS ARE UNDERTAKEN.

C Address:

(i) Street

(ii) Postal

62 HUGUENOT ROAD ...

PO BOX 178.....

FRANSCHHOEK FRANSCHHOEK..

7690.....

...7690.....

Contact details:

Name and Surname: ... RUTH MCCOURT

Title/Position held: MARKETING MANAGER

Tel: ... 021 876 2861 ... E-mail: marketingmanager@franschhoek.org.za ...

D List ALL the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary):

Name and Surname: ... HEIN KOEGELENBERG

Position: CHAIRMAN

Contact Address and tel. no: LA MOTTE - 021 876 3119

21 MAY 2021

Name and Surname: **JAN VAN HUYSSTEEN**

Position: **FINANCIAL DIRECTOR**

Contact Address and tel. no: ... **RICKETY BRIDGE - 021 876 2129**

Name and Surname: **GORDON FRAZER**

Position: **BOARD MEMBER**

Contact Address and tel. no: ... **AUBERGE CLERMONT – 021 876 3700**

Name and Surname: ... **RAYMOND NDLOVU**

Position: **BOARD MEMBER**

Contact Address and tel. no: **BLACK ELEPHANT VINTNERS - 021 876 2903**

Name and Surname: ... **REG LASCARIS**

Position: **BOARD MEMBER**

Contact Address and tel. no: **ROSE COTTAGE - 0836263618**

Name and Surname: **CARLA MALHERBE**

Position: **BOARD MEMBER**

Contact Address and tel. no: **RUPERT & ROTHSCHILD – 021 874 1648**

Name and Surname: **CHRIS MULLINEUX**

Position: **BOARD MEMBER**

Contact Address and tel. no: **MULLINEUX & LEEU FAMILY WINES – 021 492 2455**

Name and Surname: ... **AMY KLEINHANS-CURD**

Position: **BOARD MEMBER**

Contact Address and tel. no: amy@plp.co.za - **0829941111**

Name and Surname: ... **ANN FERREIRA**

Position: **BOARD MEMBER**

Contact Address and tel. no: annferreira01@gmail.com - **08529091116**...

Name and Surname: ... **RYNO BAKKES**

Position: **BOARD MEMBER**

Contact Address and tel. no: ... **FRANSCHHOEK CELLAR - 021 876 2086**...

Name and Surname: ... **FRIEDRICH SCHAEFER**

Position: **BOARD MEMBER**

Contact Address and tel. no: **CHAPTER HOUSE BOUTIQUE HOTEL – 021 876 2566**

E	<p>Category:</p> <p>Please categorise your application (mark with x):</p> <p>Tourism Destination Marketing & Visitors Information <u>X</u></p> <p>Tourism Development <u>X</u></p> <p>Animal Welfare</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p><u>IN ORDER TO CREATE A SUSTAINABLE, CREDIBLE AND CARING TOWN BY</u> <u>EMPOWERING AND BUILDING COMMUNITIES. PROMOTING GROWTH AND</u> <u>SHARING THROUGH PARTNERSHIPS, LOCAL ECONOMIC DEVELOPMENT</u> <u>AND TOURISM</u></p>
F	<p>The following <u>MUST</u> accompany this application:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If the Organisation received funding from other bodies, please identify and list the amounts received;

	<ol style="list-style-type: none"> 7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached; 8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached; 9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and 10. Valid Tax Clearance Certificate issued by SARS.
G	<p>The following shall apply:</p> <ol style="list-style-type: none"> 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 4. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 7. Projects outside the boundaries of the Council will not be considered. 8. Subsequent requests from applicants to cover overspending on projects will not be considered. 9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds. 10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulates that the organisation or body has to:- <ul style="list-style-type: none"> • Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated.

11. The Council reserves the right not to give funding to any or all organisations applying.
12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again.
13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H Undertaking:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with.

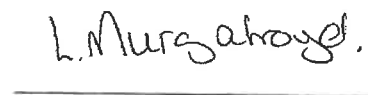
I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Franschhoek on this...20...day of MAY 2021.



Ruth McCourt

Chairperson / Authorised Representative



Secretary / Duly Authorised Signatory

I Please take note:

(i) That completed_ application forms together with all the required documentation must be delivered to:

**Director: Planning and Economic Development
P O Box 17
Stellenbosch
7599**

Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

(ii) That the closing date for the submission of applications is:.....at
.....

(iii) That **neither late nor incomplete applications** shall be considered.



FRANSCHHOEK WINE VALLEY TOURIST ASSOCIATION NPC
(Registration number 2003/06592/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Franschhoek Wine Valley Tourist Association NPC

(Registration number: 2003/06592/08)

Annual Financial Statements for the year ended 30 June 2020

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Preparer

These annual financial statements were prepared by LDP Compliance Proprietary Limited with assistance from M Rutherford.

Franschhoek Wine Valley Tourist Association NPC

(Registration number: 2003/06592/08)

Annual Financial Statements for the year ended 30 June 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

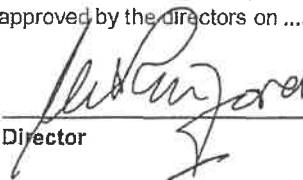
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or will have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 5 to 20, which have been prepared on the going concern basis, were approved by the directors on18/11/2020..... and were signed on its behalf by:


Director


Director



AUDIT | ADVISORY | TAX

Independent Auditor's Report

To the members of Franschhoek Wine Valley Tourist Association NPC

Opinion

We have audited the financial statements of Franschhoek Wine Valley Tourist Association NPC set out on pages 7 to 18, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Franschhoek Wine Valley Tourist Association NPC as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 18 in the financial statements, which indicates that the company incurred a net loss of R1 232 507 (2019: R 202 401) during the year ended 30 June 2020. As stated in note 18, these events or conditions, along with other matters as set forth in note 18, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa No. 71 of 2008, as amended, and the supplementary information provided on pages 19 to 20. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LDP Inc.

LDP Inc.
Registered Auditor
Per: W van Zyl
Director

Stellenbosch
Date: 18/11/2020

10 Helderberg Street
Stellenbosch
7600

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Franschhoek Wine Valley Tourist Association NPC for the year ended 30 June 2020.

1. Nature of business

The company is engaged in the promotion of tourism in Franschhoek and the surrounding areas and operates in South Africa

The operating results and the state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

There have been no material changes to the nature of the company's business from the prior year.

2. Directors

The directors in office at the date of this report are as follows:

Directors	Appointments	Resignations
HF Koegelenberg (Chairman)		
GR Frazer		
R Behrens (CEO)		
L Coltart		
RGR Lascaris		
RSM Ndlovu		
MT Rutherford		
CJ Malherbe		
AH Kleinhans-Curd		
JC Mullineux		
N Friedman		
MC Kent		01 July 2019
B Garner	14 November 2017	Refer to the note below
A Ferreira	14 November 2017	Refer to the note below
NWG Davies		14 November 2017
D Windvogel		14 November 2017

Note: The changes in directors were as per the minutes of the annual general meeting and management representation. These appointments and resignations are however not yet registered with the Companies and Intellectual Property Commission of South Africa.

3. Events after the reporting period

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. It is expected that in a short period of time, it will have a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. This is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. Other than the above the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

As a result of the economic impact of the Covid-19 pandemic the company does expect the 2021 financial year to be very challenging. The entity is in the promotion of tourism in Franschhoek and the surrounding areas. The directors are aware of financial difficulties endured due to the impact of the pandemic on the tourism industry; therefore, organisational structure has been amended during this period to effectively apply cost saving to operational expenses and ensure entity remain operational in the foreseeable future. In addition the company has acquired a municipal grant for the 2021 financial year, which contribute to the relief of pressure on the cash flow during the difficult time in loss in income, due to lack in tourism in the Franschhoek Wine Valley. The directors have satisfied themselves that the company will remain to operate as a going concern in the foreseeable future.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. Based on the above, the directors have satisfied themselves that the entity will continue trading as a going concern for the foreseeable future.

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Directors' Report

5. Auditor

LDP Inc. continued in office in accordance with section 90(6) of the Companies Act of South Africa No. 71 of 2008, as amended.

6. Secretary

The company had no secretary during the year.

7. Accounting policies

The International Financial Reporting Standards for Small and Medium-sized Entities was used in the current year. This is consistent with the prior year.

8. Non-current assets

There were no changes in the nature of the non-current assets of the company during the years as well as the policy relating to its use. Additions and disposals during the current period is set out in note 2 to these financial statements.

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	19 360	22 385
Intangible assets	3	29 475	44 750
		48 835	67 135
Current Assets			
Inventories	4	26 030	7 622
Trade and other receivables	5	156 883	1 018 283
Cash and cash equivalents	6	446 213	1 181 578
		629 126	2 207 483
Total Assets		677 961	2 274 618
Equity and Liabilities			
Equity			
Retained income		292 859	1 525 366
Liabilities			
Current Liabilities			
Trade and other payables	7	202 007	593 027
Provisions	8	183 095	156 225
		385 102	749 252
Total Equity and Liabilities		677 961	2 274 618

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2020	2019
Revenue	9	8 022 996	8 541 793
Cost of sales	10	(6 303 197)	(6 242 292)
Gross profit		1 719 799	2 299 501
Other income		669 625	1 104 008
Operating expenses		(3 675 317)	(3 707 787)
Operating loss	11	(1 285 893)	(304 278)
Investment revenue	12	53 386	101 877
Loss for the year		(1 232 507)	(202 401)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1 232 507)	(202 401)

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Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2018	1 727 766	1 727 766
Loss for the year	(202 400)	(202 400)
Other comprehensive income	-	-
Total comprehensive loss for the year	(202 400)	(202 400)
Balance at 01 July 2019	1 525 366	1 525 366
Loss for the year	(1 232 507)	(1 232 507)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1 232 507)	(1 232 507)
Balance at 30 June 2020	292 859	292 859

Note

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Statement of Cash Flows

Figures in Rand	Notes	2020	2019
Cash flows from operating activities			
Cash receipts from customers		8 884 396	7 735 891
Cash paid to suppliers and employees		(9 663 148)	(9 000 949)
Cash used in operations	15	(778 752)	(1 265 058)
Interest income		53 386	101 877
Net cash used in operating activities		(725 366)	(1 163 181)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9 999)	(14 736)
Total cash movement for the year		(735 365)	(1 177 917)
Cash at the beginning of the year		1 181 578	2 359 495
Total cash at end of the year	6	446 213	1 181 578

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa No. 71 of 2008, as amended. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the financial statements.

Key sources of estimation uncertainty

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgement as to whether there is observable data indicating a measurable decrease in the estimate future cash flows from a financial assets.

The impairment for the financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on the historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Other fixed assets	3 years
Furniture and fixtures	3 years
Office equipment	6 years
IT equipment	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Average useful life
Trademarks	10 years

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.4 Financial instruments (continued)

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.10 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

1.11 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Other fixed assets	114 758	(114 758)	-	114 758	(114 758)	-
Furniture and fixtures	6 436	(3 576)	2 860	6 436	(1 430)	5 006
Office equipment	35 449	(26 561)	8 888	25 450	(24 543)	907
IT equipment	202 143	(194 531)	7 612	202 143	(185 671)	16 472
Total	358 786	(339 426)	19 360	348 787	(326 402)	22 385

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	5 006	-	(2 146)	2 860
Office equipment	907	9 999	(2 018)	8 888
IT equipment	16 472	-	(8 860)	7 612
	22 385	9 999	(13 024)	19 360

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	-	6 436	(1 430)	5 006
Office equipment	1 897	-	(990)	907
IT equipment	17 001	8 300	(8 829)	16 472
	18 898	14 736	(11 249)	22 385

3. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	124 892	(95 417)	29 475	128 142	(83 392)	44 750

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Impairment loss	Total
Trademarks	44 750	(12 025)	(3 250)	29 475

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Trademarks	57 564	(12 814)	44 750

4. Inventories

Merchandise	26 030	7 622
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Franschhoek Wine Valley Tourist Association NPC

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

	2020	2019		
5. Trade and other receivables				
Trade receivables				
Bastille festival	139 833	442 857		
Prepayments	-	450 209		
Deposits	1 250	17 059		
Value-added taxation	8 400	8 400		
Dwarsrivier Assistance Project	-	54 327		
Franschhoek Stronger Together Campaign	-	41 330		
Other receivable	3 500	-		
	3 900	4 101		
	156 883	1 018 283		
6. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	31 521	41 268		
Bank balances	414 692	1 140 310		
	446 213	1 181 578		
7. Trade and other payables				
Trade payables				
Value-added taxation	102 131	339 181		
Dwarsrivier Assistance Project	932	-		
Bastille festival	35 964	-		
Vignerons Technical Benchmarking	34 000	-		
Mystery Weekend	9 835	-		
Christmas Lights Project	19 145	248 750		
	-	5 096		
	202 007	593 027		
8. Provisions				
Reconciliation of provisions - 2020				
	Opening balance	Additions	Reversed during the year	Total
Provisions for leave pay	156 225	183 095	(156 225)	183 095
Reconciliation of provisions - 2019				
	Opening balance	Additions	Reversed during the year	Total
Provisions for leave pay	176 020	156 225	(176 020)	156 225

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
9. Revenue		
Sale of goods	42 158	25 716
Membership fees and other income	1 306 772	1 316 702
Dwarsrivier tourism	114 388	249 988
Government income	1 654 489	1 652 965
Development income	181 500	199 110
Promotions and events	4 723 689	5 097 312
	8 022 996	8 541 793
10. Cost of sales		
Rendering of services		
Overheads	17 632	16 731
Maps Tourism Routes	60 494	172 853
Marketing	23 496	52 994
E-Commerce	41 325	13 605
Development	278 100	426 874
Promotions and events	5 293 738	4 779 640
Sundry purchases	2 384	4 665
Dwarsrivier tourism	586 028	774 930
	6 303 197	6 242 292
11. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	124 526	118 863
Intangible assets	(2 461)	-
Amortisation on intangible assets	12 814	12 814
Depreciation on property, plant and equipment	13 024	11 249
Employee costs	2 096 047	2 059 141
12. Investment revenue		
Interest revenue		
Bank	53 386	101 877
13. Taxation		
Major components of the tax expense		
The association is exempt from income tax in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act, 1962 as amended.		
14. Direct marketing costs		
Advertising	19 015	19 477
Members' benefits	10 073	26 193
Promotion	769	20 974
Public relations	253 800	263 490
	283 657	330 134

Franschhoek Wine Valley Tourist Association NPC

(Registration number: 2003/06592/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
15. Cash used in operations		
Loss before taxation	(1 232 507)	(202 400)
Adjustments for:		
Depreciation and amortisation	25 838	24 063
Loss on sale of assets	2 461	-
Interest received	(53 386)	(101 877)
Movements in provisions	26 870	(19 795)
Changes in working capital:		
Inventories	(18 408)	6 372
Trade and other receivables	861 400	(805 902)
Trade and other payables	(391 020)	(165 519)
	(778 752)	(1 265 058)

16. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2019: RNill).

17. Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

18. Going concern

As a result of the economic impact of the Covid-19 pandemic the company does expect the 2021 financial year to be very challenging. The entity is in the promotion of tourism in Franschhoek and the surrounding areas. The directors are aware of financial difficulties endured due to the impact of the pandemic on the tourism industry; therefore, organisational structure has been amended during this period to effectively apply cost saving to operational expenses and ensure entity remain operational in the foreseeable future. In addition the company has acquired a municipal grant for the 2021 financial year, which contribute to the relief of pressure on the cash flow during the difficult time in loss in income, due to lack in tourism in the Franschhoek Wine Valley. The directors have satisfied themselves that the company will remain to operate as a going concern in the foreseeable future.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. Based on the above, the directors have satisfied themselves that the entity will continue trading as a going concern for the foreseeable future.

19. Events after the reporting period

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. It is expected that in a short period of time, it will have a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. This is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. Other than the above the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Franschhoek Wine Valley Tourist Association NPC

(Registration number: 2003/06592/08)

Annual Financial Statements for the year ended 30 June 2020

Detailed Income Statement

Figures in Rand	Notes	2020	2019
Revenue			
Sale of goods			
Membership fees and other income		42 158	25 716
Dwarsrivier tourism		1 306 772	1 316 702
Government income		114 388	249 988
Development income		1 654 489	1 652 965
Promotions and events		181 500	199 110
		4 723 689	5 097 312
	9	8 022 996	8 541 793
Cost of sales			
	10	(6 303 197)	(6 242 292)
Gross profit		1 719 799	2 299 501
Other income			
Commissions received			
Tourism levies		8 633	27 546
Consulting fees		660 693	863 732
Other income		-	180 000
Interest received		299	32 730
	12	53 386	101 877
		723 011	1 205 885
Expenses (Refer to page 20)			
		(3 675 317)	(3 707 787)
Loss for the year		(1 232 507)	(202 401)

**Notice of meeting of the Members of
Franschhoek Wine Valley Tourist Association NPC
("the Company")
Registration number: 2003/026592/08
13th July 2016**

In terms of Article 6.1 of the Articles of Association of the Company, notice is hereby given of a general meeting of members.

The meeting of members will take place on **Thursday, 18th August 2016 at 16h00** and will take place at **Leopard's Leap Family Vineyards, Franschhoek.**

The purpose of the meeting is to consider and adopt a new Memorandum of Incorporation ("MOI") for the Company. The Companies Act of 2008 (Act 71 of 2008) requires companies to adopt a new MOI to replace the current Memorandum and Articles of Association.

The South African Revenue Services (SARS) has advised the Company that their current tax exemption granted in terms of section 10 (1)(d)(iii) has been amended. The main change that has been introduced, is that the Company's **founding document** must meet the requirements as set out in Section 30B of the Income Tax Act. The current Memorandum and Articles of Association do not contain all these requirements.

A revised MOI has been compiled to include all SARS requirements in order that the Company may register a new MOI with the Companies and Intellectual Properties Commission, therefore maintaining its tax exempt status with SARS.

1. Special Resolution

IT WAS RESOLVED THAT, in terms of section 60(1)(c)(ii) of the Companies Act of 2008 (Act 71 of 2008), as amended, ("the Companies Act") the company hereby approves and adopts in terms of Section 60(5)(a) of the Companies Act, a new Memorandum of Incorporation, a copy of which has been tabled at this general meeting of members and initialed by the chairman of the general meeting for identification purposes, in substitution for the existing Memorandum and Articles of Association. The date on which the Memorandum of Incorporation becomes effective will be the date that this special resolution approving the Memorandum of Incorporation is adopted, irrespective of the date of filing thereof with the Companies and Intellectual Properties Commission.

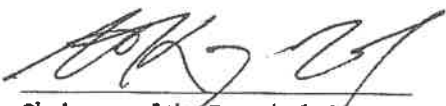
IT WAS FURTHER RESOLVED that the Company be and is hereby incorporated in accordance with and governed by:

- the unalterable provisions of the Act; and
- the alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and
- the other provisions of this Memorandum of Incorporation.

2. Ordinary Resolution

IT WAS RESOLVED THAT, the chairman of the Meeting of Members held on Thursday, 18th August 2016 at 16h00 at Leopards' Leap Family Vineyards, Franschhoek, be and is hereby authorised to sign the Special Resolution on behalf of the members, whereby the Memorandum of Incorporation is approved and adopted.

A copy of the proposed MOI is attached to this Notice of Meeting of Members.


Chairman of the Board of Directors
Date: _____

MEMORANDUM OF INCORPORATION
FRANSCHHOEK WINE VALLEY TOURIST ASSOCIATION NPC
 COMPANY REGISTRATION NUMBER: 2003/026592/08

In this Memorandum of Incorporation –

- a) A reference to a section by number refers to the corresponding section of the Companies Act, 2008 (Act 71 of 2008) as amended (“the Act”);
- b) words that are defined in the Companies Act, 2008, bear the same meaning in this Memorandum of Incorporation (MOI) as in that Act.
- c) The following additional words are defined outside of the Companies Act, 2008:
 - i. **Franschhoek Valley:** means the area delineated on a map signed by the Chairperson deposited at the registered office of the company and such adjacent or other areas as the board may from time to time determine;
 - ii. **Member:** means a person whose name is listed as such in the register;
 - iii. **Membership year:** means the period from 1st July in each year to 30th June in the next year or such other period of 12 (twelve) months as the board may from time to time determine.
- d) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine, and words importing persons shall include corporate bodies and created entities.
- e) Headings to a clause or series of clauses shall not be considered in interpreting such clauses.
- f) Where any term is defined within the context of any particular section in this MOI, the term so defined, unless it is clear from the section in question that the term so defined has limited application to the relevant section, shall bear the meaning ascribed to it for all purposes in terms of these sections, notwithstanding that that term has not been defined in this definition clause.
- g) Subject to the above definitions, words and expressions defined in the Act shall have the same meaning when used in this MOI as in the Act.
- h) If the provisions of this MOI are in any way inconsistent with, or in conflict with, the provisions of the Statutes, the provisions of the Statutes shall prevail and this MOI shall be interpreted in all respects as being subject to the Statutes.

1.1 Incorporation

- 1.1.1 The Company is incorporated in accordance with and governed by:
 - 1.1.1.1 the unalterable provisions of the Act; and
 - 1.1.1.2 the alterable provisions of the Act; subject to the limitations, extensions, variations or substitutions set out in this MOI; and
 - 1.1.1.3 the other provisions of this MOI.

1.2 Main business and object of the Company

- 1.2.1 The main business and object of the company is to promote tourism in Franschhoek and the surrounding areas; provided that all the activities of the Company be limited to activities that comply with Section 30 of the Income Tax Act, 1962 (Act 58 of 1962). In particular, without limitation the main business and object will include:
 - 1.2.1.1 the formulation of a tourism policy and strategy, in accordance with the general tourism policy of the Province of Western Cape, for Franschhoek;
 - 1.2.1.2 to provide an information and assistance service to encourage tourists to visit Franschhoek in a way which is mutually beneficial to the tourist and local community;
 - 1.2.1.3 to develop and promote tourism skills and awareness across all members and within the local community of Franschhoek to achieve the maximum sustainable

benefits from tourism through the widest possible participation in the local tourism industry;

- 1.2.1.4 to promote the development of appropriate tourism infrastructure and products including attractions, accommodation and transport and shopping facilities;
- 1.2.1.5 to protect and advance within the tourism industry emerging businesses and persons or categories of persons disadvantaged by unfair discrimination, inter alia, by employing ethical and socially responsible practises;
- 1.2.1.6 to identify and promote the natural and cultural assets of the Franschhoek area;
- 1.2.1.7 to produce and distribute appropriate literature and marketing material;
- 1.2.1.8 to protect the Franschhoek environment through encouraging the use of sustainable practises across all sectors.
- 1.2.2 Any specific ancillary object which is not in accordance with the main object of the company is excluded from the unlimited ancillary objects of the company.
- 1.2.3 The Company may by special resolution of the members alter or amend the provisions of its MOI with respect to the objects and powers of the company.

1.3 Memorandum of Incorporation

- 1.3.1 This MOI may only be altered or amended by way of a special resolution of the members except if such amendment is in compliance with a Court Order.
- 1.3.2 Agreement by 75% (seventy-five percent) of the members is required in order to pass the special resolution.
- 1.3.3 Any amendment of the MOI or written instrument of the company will be submitted to the Commissioner of the South African Revenue Services within 30 (thirty) days of its amendment.

1.4 Incorporators of the company

- 1.4.1 The incorporators of the company are its –
 - 1.4.1.1 first members; and
 - 1.4.1.2 its first members of which there must be at least three persons who accept fiduciary responsibility, will not be connected persons in relation to each other, with no single person directly or indirectly controlling the decision making powers relating to the Company; and
 - 1.4.2.3 the Company must form a committee, board of management or similar governing body of at least three persons to accept the fiduciary responsibilities of the Company.

1.5 Guarantee

- 1.5.1 The liability of members is limited to the amount referred to in paragraph 1.5.2.
- 1.5.2 Each member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he ceased to be a member and of the costs, charges and expenses for the winding up and for adjustment of the rights of the contributors amongst themselves, an amount of R7.00 (Seven Rand).

2. Funding of the Company

Substantially the whole of the company's initial funding will be provided by way of donations. Thereafter, the company's funding will to be derived from its annual or other long-term members.

3. Powers of the Company

The following specific powers are excluded from the plenary powers of the company:

- 3.1 To undertake and execute any trust;
- 3.2 To act as principals, agents, contractors or trustees; and
- 3.3 To distribute in specie or in kind any of its assets among its members.

The specific powers or part of any specific powers of the company are to be executed only in accordance with the main object of the company.

4. Application of Assets and Income

- 4.1 The company will apply, utilise and direct all of its assets and income, however derived, to advance its stated objects, as set out in this MOI.
- 4.2 Subject to 4.1, may –
 - 4.2.1 acquire and hold securities issued by a profit company;
 - 4.2.2 directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its stated objects; and
 - 4.2.3 may not have a share or other interest in any business, profession or occupation which is carried on by its members.
- 4.3 The company may not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless how the income or asset was derived, to any person who is or was an incorporator of the company, or who is a member or director, or person appointing a director, of the company, except –
 - 4.3.1 as reasonable –
 - 4.3.1.1 remuneration for goods delivered or services rendered to, or at the direction of, the company; or
 - 4.3.1.2 payment of, or reimbursement for, expenses incurred to advance a stated object of the company;
 - 4.3.2 as payment of an amount due and payable by the company in terms of a *bona fide* agreement between the company and that person or another;
 - 4.3.3 as a payment in respect of any rights of that person, to the extent that such rights are administered by the company in order to advance a stated object of the company;
 - 4.3.4 in respect of any legal obligation binding on the company; and
 - 4.3.5 may not pay any employee, office bearer, member or other person any remuneration, as defined in the Fourth Schedule of the Income Tax Act, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the services rendered.
- 4.4 The company may not provide a loan to, secure a debt or obligation of, or otherwise provided direct or indirect financial assistance to, a director of the company or of a related or inter-related company, or to a person related to any such director.
- 4.5 Sub-item 4.4 does not prohibit a transaction if it –
 - 4.5.1 is in the ordinary course of the company's business and for fair value;
 - 4.5.2 constitutes an accountable advance to meet –
 - 4.5.2.1 legal expenses in relation to a matter concerning the company; or
 - 4.5.2.2 anticipated expenses incurred by the person on behalf of the company;
 - 4.5.3 is to defray the person's expenses for removal at the company's request; or
 - 4.5.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.
- 4.6 The company may make donations: Provided that no donations may be made to members or directors of the company: Provided further that any donations made must be made in accordance with the main object of the company.

- 4.7 The company may pay gratuities and pensions and establish pension and medical aid schemes and other incentive schemes in respect of its officers and employees.

5. Fundamental Transactions

- 5.1 The company may not –
- 5.1.1 amalgamate or merge with, or convert to, a profit company; or
 - 5.1.2 dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposition of an asset occurs in the ordinary course of the activities of the company.
- 5.2 Any proposal to –
- 5.2.1 dispose of all or the greater part of its assets or undertaking; or
 - 5.2.2 amalgamate or merge with another non-profit company, must be submitted to the voting members of the Company for approval in a manner comparable to that required of profit companies in accordance with sections 112 and 113, respectively.
- 5.3 Sections 115 and 116, read with the changes required by context, apply with respect to the approval of a proposal contemplated in sub-item ii).

6. Members

The company must have a minimum of three members.

- 6.1 Membership will not be restricted or regulated in any manner that amounts to unfair discrimination in terms of section 9 of the Constitution provided that should a minimum of 25 members object to the membership of any proposed member, then that proposed member may not be a member.
- 6.2 Membership may be held by juristic persons, including profit companies.
- 6.3 There shall be one class of members – voting members.
- 6.4 Members shall have an interest in promoting the town of Franschhoek as a leading tourist destination.
- 6.5 The members of the company shall be initially the subscribers to the MOI who shall be deemed to be members, and such other persons, bodies or associations admitted to membership in accordance with this MOI.
- 6.5.1 Subject to the provision of 6.5.2 those eligible to be members of the company shall consist of:
 - 6.5.1.1 Tourist establishments within the Franschhoek Valley;
 - 6.5.1.2 A vineyard that is a member of the Vignerons de Franschhoek -
 - 6.5.1.2.1 the applicant produces wine –
 - 6.5.1.2.2 the applicant uses some grapes from the FW geographic area –
 - 6.5.1.2.3 the applicant owns or rents property located within the defined FW geographic area –
 - 6.5.1.2.4 the applicant must associate itself with Franschhoek
 - 6.5.1.3 Members of the general public resident in the Franschhoek Valley;
 - 6.5.1.4 Business organisations within the Franschhoek Valley;
 - 6.5.1.5 Business organisations whose registered physical office address is not the Franschhoek Valley, but whose business operations are conducted partly within the Valley and who maintain a sales presence at the FWV offices;
 - 6.5.1.6 Any other tourist establishment, vineyard, members of the general public or business organisation that was a member on the 1st of July 2006.
 - 6.5.2 A vineyard shall not be eligible for membership unless at the time of its application for membership or renewal of membership the wine that it produces has been certified by the Wine and Spirit Board ("the Board") established in terms of the Liquor Products Act 1989 as

- compliant with all the requirements of the Wine of Origin Scheme as administered by the Board.
- 6.5.3 The names of those admitted to membership and their status shall be entered in the register.
 - 6.5.4 Subject to payment of the annual fees due on renewal of membership within 28 days of service of notice requiring payment thereof the membership of each member who is eligible for membership shall be renewed for each membership year.
 - 6.5.5 The membership of a member who fails to pay the annual membership fee in accordance with 6.5.4 shall be automatically suspended until payment thereof has been made in full.
 - 6.5.6 The annual membership fees shall be in the amount determined by the board from time to time and may include different fees for different categories of members.
 - 6.5.7 Notice of any increase in fees shall be given to members no later than 28 days before the commencement of each membership year.
 - 6.6 The admittance of members in addition to the members stipulated in section 6.5.1 shall be at the discretion of the board by invitation only. Such members shall be known as associate members and their names shall be entered into the register accordingly. Associate members shall be entitled to attend, and speak at, the annual general meeting and all other general meetings of the company but they shall not be entitled to vote under any circumstances.
 - 6.7 Applicants for membership (including those applying to be admitted as an associate member) shall pay the proportion of the annual membership fee applicable to their category of membership at the time of applying for membership calculated from the date of their application to the end of the then current membership year, which shall be repaid if the application is unsuccessful. Application for membership is by written application to the Board of the Company. Provided the proposed member is not excluded under 6.1, approval by the majority of the existing directors is required in order for a new member to be elected.
 - 6.8 There is no limitation on the number of members of the company.
 - 6.9 The board shall be entitled to terminate the membership of a member who failed to pay his membership fees within the 14 (fourteen) day period stipulated in 6.14.2 below ("the defaulting member"). The board or any one of them authorised by the board shall be deemed to be authorised in rem suam by the defaulting member to sign and execute any document necessary to terminate the membership of a member.
 - 6.10 The rights, benefits, privileges and obligations of membership are not transferable.
 - 6.11 Members shall treat as confidential all information concerning the company acquired on that basis.
 - 6.12 The board of directors may from time to time in their discretion recommend to a general meeting of the members of the company such persons as they may deem fit as honorary members of the company and the members in the general meeting shall be entitled to appoint such persons as honorary members of the company. Such honorary members of the company shall not be liable to pay annual subscriptions nor contribute towards the debts of the company. Such honorary members shall be entitled to attend, and speak at, general meetings, but they shall not be entitled to vote.
 - 6.13 **Rights and obligations, if any, of membership in any class**
The rights and obligations of membership in any class is restricted to voting.
 - 6.14 **Termination of membership**
A member shall cease to be a member of the company:
 - 6.14.1 upon receipt by the chairman of the company of written notice from the member of his resignation from the company;
 - 6.14.2 if the member fails to pay his annual membership fee and persists in such failure for 14 (fourteen) days after having been notified to rectify such failure followed by a resolution by the board to terminate his membership;
 - 6.14.3 if the board decides to terminate the membership of that member and gives written notice to that member of such termination: -

- 6.14.3.1 on grounds considered reasonable in their discretion; or
- 6.14.3.2 if that member fails to comply with a recommendation for payment of compensation made by a Complaints Officer pursuant to a current Complaints Procedure (which has been approved by members in general meeting) within 14 (fourteen) days' notice being given to that member by the board requiring that member to do so; or
- 6.14.3.3 a number of complaints of a similar nature are made against that member; or
- 6.14.3.4 if that member does anything which in the opinion of the board brings or is likely to bring the company or the tourist industry in the Franschhoek Valley or any part thereof into disrepute.
- 6.14.4 If that member:
 - 6.14.4.1 Is declared insolvent or of unsound mind by a competent court;
 - 6.14.4.2 Is convicted of an offence and sentenced to a term of imprisonment without the option of a fine but no one may be regarded as having been sentenced until any appeal that has been made against the conviction or sentence has been determined; or
 - 6.14.4.3 dies
- 6.14.5 A member who ceased to be a member of the company may on application be re-admitted as a member of the company, subject to such terms and conditions the board may in their discretion determine.

6.15 **Members' right to information**

Every member who has an interest in the Company has the right to access information as set out in section 26 of the Act.

6.16 **Member meetings**

- 6.16.1 The Board is entitled to call a Members' meeting at any time.
- 6.16.2 The company shall hold an annual general meeting not later than 6 (six) months after the end of each financial year, in addition to any other general meetings held during that year and shall designate the meeting as such in the notice convening the meeting.
- 6.16.3 Not more than 15 (fifteen) months shall elapse between the date of one annual general meeting and the next. The annual general meeting shall be held at the time, date and place determined by the board of directors.
- 6.16.4 All general meetings other than the annual general meeting shall be referred to simply as general meetings.
- 6.16.5 The board may, whenever it thinks fit, convene other general meetings. They shall also convene a general meeting on a requisition thereto by members in terms of section 61 of the Act, failing which such a meeting may be convened by the requisitionists themselves in accordance with the provisions of the aforesaid section 61.
- 6.16.6 All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 (fifteen) business days' notice.
- 6.16.7 If at any time there are not within the Republic sufficient directors capable of forming a quorum, any director or any 2 (two) members of the company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the board of directors.
- 6.16.8 The quorum for a Members' meeting to begin or for a matter to be considered, shall be at least ten members present in person or by proxy or represented. Should a quorum not be present, the Chairman of the meeting shall be obliged to call another meeting with 5 days' notice. Should there not be a quorum at this reconvened meeting, provided that at least 3 members are present, in person, by proxy or represented, the meeting shall be deemed to be duly constituted.
- 6.16.9 Each voting member of the company will have at least one vote.

6.16.10 The vote of each member of the company is of equal value to the vote of each other voting member on any matter to be determined by vote of the members, except to the extent that the MOI provides otherwise.

6.16.11 The Company is not required to hold any members' meetings other those specifically required by the Companies Act, 2008.

6.16.12 The authority of the Company's Board of Directors to determine the location of any members' meeting, and the authority of the Company to hold such meeting in the Republic or in any foreign country, as set out in section 61(9) is not limited or restricted by this MOI.

6.17 **Members' meetings by electronic communication**

The authority of the Company to conduct a meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication, as set out in section 63 is not limited or restricted by this MOI.

6.18 **Members' resolutions**

6.18.1 For an ordinary resolution to be adopted at a Members' meeting, it must be supported by the holders of at least 50% of the voting rights exercised on the resolution, as provided in section 65(7).

6.18.2 For a special resolution to be adopted at a Members' meeting, it must be supported by the holders of at least 75% of the voting rights exercised on the resolution, as provided in section 65(9).

6.18.3 A special resolution adopted at a Members' meeting is not required for a matter to be determined by the Company, except those matters set out in section 65(11), or elsewhere in the Act.

- Section 65(11) A special resolution is required to –

- a) Amend the company's Memorandum of Incorporation to the extent required by section 16(1)(c);
- b) Approve the voluntary winding-up of the company, as contemplated in section 80(1); or
- c) Approve any proposed fundamental transaction, to the extent required by Part A of Chapter 5.

6.19 **Members' Register**

6.19.1 The company will maintain a membership register as contemplated in section 24(4) of the Act.

6.19.2 The board shall cause to be kept in one or more books a register of the members for each membership year and there shall be entered therein:

6.19.2.1 the names and addresses of the members;

6.19.2.2 the date at which the name of any person was entered in the register as a member;

6.19.2.3 whether the member is an associate or full member;

6.19.2.4 the membership fee due from such member and the date on which such fee was paid;

6.19.2.5 the date at which any person ceased to be a member;

and such register shall be kept at the registered office of the company and shall be open to the inspection of the members during business hours, subject to any reasonable restrictions from time to time imposed by the company in general meeting.

6.20 **Notices**

6.20.1 A notice by the company to a member or a director and any document accompanying such notice may be:-

6.20.1.1 given personally; or

- 6.20.1.2 sent by post by stamped letter addressed to the member or director at his registered address, or (if he does not have a registered address in the Republic) to the address in South Africa, if any, supplied by him to the company as the address at which notice may be given to him; or
- 6.20.1.3 sent by facsimile transmission to the facsimile number supplied by him to the company as the number at which notice may be given to him; or
- 6.20.1.4 sent by email to such email address as he may have supplied to the company.
- 6.20.2 Notice of every general meeting shall be given in manner hereinbefore provided to:
 - 6.20.2.1 every member of the company registered as such at the date of giving of such notice; and
 - 6.20.2.2 every director of the company; and
 - 6.20.2.3 the auditor of the company for the time being.
- 6.20.3 No other person shall be entitled to receive notices of general meetings.
- 6.20.4 Any notice shall be deemed to have been duly served, unless the contrary is proved, if:
 - 6.20.4.1 delivered by hand during business hours on a business day on the day of delivery;
 - 6.20.4.2 sent by post two business days after the business day on which the letter containing the notice is posted and to prove that the notice had been given by post it will be sufficient to show that the letter containing the notice had been properly addressed and posted in the post office;
 - 6.20.4.3 sent by facsimile transmission on the first business day following the date of transmission and to prove that the notice had been given by facsimile transmission it will be sufficient to submit the proof of transmission; and
 - 6.20.4.4 sent by email on the first business day after the date of transmission and to prove that the notice had been given by email it will be sufficient to show that the email had been sent to the last email address the member may have supplied to the company.
- 6.20.5 The signature to any notice given by the company may be written or printed, or partly written and partly printed.
- 6.20.6 Notwithstanding anything to the contrary contained in the MOI but subject to the provisions of the Act, the company is hereby authorised to delivery, issue, distribute, register, lodge, publish and make available all returns, certificates, registers, notices and other information relevant to shareholders, such as circulars, annual reports, financial statements, accounts, interim and other reports, details of listing, notices of meetings and proxy forms, and to effect voting by proxy, by means of computer linkage, through electronic media, including faxes, electronic mail, bulletin board, internet web sites and computer networks.
- 6.20.7 When a given number of days' notice or notice extending over any other period is required to be given, such number of days shall be clear days, that is to say the day on which the notice is given and the date in respect of which the notice is given, shall not be counted in calculating the period.

7. Directors

7.1 Basis on which directors of the Company are chosen by Members

- 7.1.1 Directors will be elected at the Annual General Meeting of the company;
- 7.1.2 Directors are to serve three (3) year terms with at least one director in three completing the term or standing for re-election each year.

7.2 Election of directors by voting Members

If any directors are elected by the voting members, at least one-third of those directors must be elected each year.

7.3 Financial assistance to Directors

- 7.3.1 The Company may not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to, a director of the company or of a related or inter-related company, or to a person related to such director.
- 7.3.2 Sub-item 7.3.1 does not prohibit a transaction if it –
 - 7.3.2.1 is in the ordinary course of the company's business and for fair value;
 - 7.3.2.2 constitutes an accountable advance to meet –
 - 7.3.2.2.1 legal expenses in relation to a matter concerning the company; or
 - 7.3.2.2.2 anticipated expenses to be incurred by the person on behalf of the company;
 - 7.3.2.3 is to defray the person's expenses for removal at the company's request; or
 - 7.3.2.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employee.

7.4 Composition of the Board of Directors

- 7.4.1 Subject to the provisions of article 7.9 the number of directors shall not be more than 12 (twelve) or less than 10 (ten) or such other minimum or maximum number as a general meeting of the company may approve plus a councillor or other authorised representative of the Municipality of Stellenbosch nominated by its Mayor or any person who is duly appointed as managing director or chief executive officer as an employee of the company in terms of paragraph 7.5.1.
- 7.4.2 In addition to the appointed directors there are no *ex officio* directors of the Company as contemplated in section 66(4).
- 7.4.3 In addition to satisfying the qualification and eligibility requirements set out in section 69, to become or remain a director or a prescribed officer of the Company, a person need not satisfy any further eligibility requirements or qualifications. A person need not be a member of the company to qualify for appointment as director of the company.
- 7.4.4 A director shall be appointed by a majority of members present, in person, by proxy or represented at the meeting.
- 7.4.5 At the end of the annual general meeting in every subsequent year after the third annual general meeting or any adjournment thereof one third of the directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number of directors nearest to one third, shall retire from office.
- 7.4.6 In the absence of agreement between them the directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
- 7.4.7 A retiring director shall be eligible for re-election.
- 7.4.8 At the annual general meeting at which a director retires in the manner aforesaid or at any other general meeting, the company may fill the vacancy by appointing a director to office in accordance with the provisions of this article 7.4.
- 7.4.9 If at any meeting at which an election of directors ought to take place the offices of the retiring directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the provisions of articles 8.3.4 and 8.3.5 shall apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring directors or such of them as have not had their offices filled shall be deemed to have been re-elected at such adjourned meeting unless a resolution for the re-election of any such director shall have been put to the meeting and defeated.
- 7.4.10 Provided that the minimum number of directors is maintained, the company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number of directors is to retire from office.

- 7.4.11 Unless the members otherwise determine in general meeting, any casual vacancy occurring on the board (including in terms of article 7.4.14) shall be filled by the board if it wishes to do so, but the director so appointed shall be subject to the same terms, qualifications and conditions which exist with reference to the director vacating his office, including, without limitation, retirement at the same time as if he had become a director on the day on which the director in whose stead he is appointed, was last elected a director.
- 7.4.12 The directors have the power at any time to appoint a person as an additional director but so that the total number of directors shall not at any time exceed the number fixed according to the MOI.
- 7.4.13 A director appointed in terms of 7.4.12 or 7.4.13 shall retire from office at the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining which directors are to retire by rotation at such meeting.
- 7.4.14 The company may by ordinary resolution of which special notice has been given in accordance with section 71 of the Act remove any director before the expiration of his period of office, notwithstanding anything to the contrary contained in the MOI or in any agreement between the company and such director.
- 7.4.15 Each director shall have the power to nominate a person possessing the necessary qualifications of a director, to act as alternate director in his place during his absence or inability to act, provided that the appointment of an alternate director shall be approved in writing by the board and on such appointment being made, the alternate director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other directors of the company.
- 7.4.16 An alternate director, whilst acting in the stead of the directors who appointed him, shall exercise and discharge all the powers, duties and functions of the directors he represents. The appointment of an alternate director shall be revoked, and the alternate director shall cease to hold office, whenever the director who appointed him ceases to be a director or gives notice to the secretary of the company that the alternate director representing him has ceased to do so, and in the event of the disqualification or resignation of any alternate director during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairman of the board who shall nominate a person to fill such vacancy, subject to the approval of the board of directors.
- 7.4.17 The board shall elect, immediately after the annual general meeting at which this MOI was adopted and after each subsequent annual general meeting, a chairman and vice-chairman (who shall each be a director) to hold office until the conclusion of the next annual general meeting following such election. Such chairman and vice-chairman shall be eligible for re-election.
- 7.4.18 If the chairman or vice-chairman resigns as such or ceases to be a director for any reason the board shall elect another director to be chairman or vice-chairman (as the case may be) who shall hold office for the unexpired residue of the term of office of the chairman or vice-chairman who has resigned or ceased to be a director.
- 7.4.19 The office of director shall be vacated if the director:
- 7.4.19.1 Ceases to be a director or becomes prohibited from being a director by virtue of any provision of the Act; or
 - 7.4.19.2 Becomes insolvent or makes an arrangement or composition with his creditors generally;
 - 7.4.19.3 Becomes in the discretion of the other directors so mentally or otherwise defective that he can no longer properly execute his office;
 - 7.4.19.4 Resigns his notice by giving notice in writing to the company;
 - 7.4.19.5 Is restrained from being a director by reason of any order made under section 162 of the Act;
 - 7.4.19.6 Absents himself from 4 (four) consecutive meetings of the board without special leave of absence and it is resolved that his office be vacated;

- 7.4.19.7 Is removed from office by resolution duly passed pursuant to any other provision of the Act or MOI;
- 7.4.19.8 Was a member on the date on which he was appointed and ceases to be a member of the company, and such director shall be deemed to have vacated his office of director *ipso facto* from the date he ceases to be a member;
- 7.4.19.9 Having served a minimum period of 6 months as a duly elected director in terms of paragraph 7.4.5 above, is removed from office by a majority of at least 50% of the Directors; or
- 7.4.19.10 Is removed from office pursuant to any other provision of the Act or the MOI.

7.5 Executive Directors

- 7.5.1 The board shall from time to time appoint an executive director or a chief executive officer, from among their numbers or from among the employees of the company who shall be a director for so long as he or she is employed as such, for the period and at the remuneration they deem fit, and may revoke such appointment subject to the terms of an agreement that had been reached in a specific case of the terms and conditions of any existing employment agreement in respect of an employee of the company. A director appointed accordingly shall not, whilst he holds such office, be subject to retirement via rotation, and shall not be taken into account in the determination of the retirement rotation of directors, subject, however to the provisions of this article 7.5 below.
- 7.5.2 The appointment of an executive director as such shall expire, without any prejudice to any claim of whichever nature such director may have against the company, if he ceases being a director for any reason whatsoever.
- 7.5.3 Any executive director appointed in terms of 7.5.1 shall in his capacity as such be subject to the same provisions relating to discharge as the other directors of the company, and should he cease being a director, his appointment to such post or executive office shall be terminated *ipso facto*, without prejudicing any claim for damages he may have as a result of such termination or detracting from the terms and conditions of any employment agreement of such a director.
- 7.5.4 The remuneration of a director appointed to any post or executive office in terms of paragraph 7.5.1:
 - 7.5.4.1 shall be determined by an impartial quorum of the board of directors;
 - 7.5.4.2 shall be paid to him over and above or instead of any normal remuneration he receives a director of the company, whatever the board may determine; and
 - 7.5.4.3 may comprise a salary or a commission or partially in one manner and partially in the other, whatever the board may determine.

7.6 Authority of the Board of Directors

- 7.6.1 The affairs of the company shall be conducted and managed by the board who may pay all expenses incurred in promoting and registering the company and may exercise all such powers of the company as are not, by the Act or by this MOI, required to be exercised by the company in general meeting, subject nevertheless to this MOI, to the provisions of the Act and to such regulations not inconsistent with the MOI or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.
- 7.6.2 The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66(1) is not limited or restricted by this MOI.
- 7.6.3 The Board has the authority to exercise all of the powers and perform any of the functions of the Company: Provided that such actions will be executed only in accordance with the main object of the Company.

- 7.6.4 The directors of the company must comply with section 112 of the Act in order to dispose of the undertaking of the company or the whole or greater part of the assets of the company. The special resolution so required may be approved by the company in general meeting.
- 7.6.5 Any business which is either expressly or impliedly authorised to be undertaken by the company may be undertaken by the directors at such time or times as they think fit or may be suspended for so long as the directors deem it expedient not to commence or proceed with that business and whether or not that business may have actually been commenced: Provided that such actions will be executed only in accordance with the main object of the Company.
- 7.6.6 A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the MOI of the company for the time being vested in or exercisable by the directors generally: Provided that such actions will be executed only in accordance with the main object of the Company.
- 7.6.7 The drawing up and implementation of the budget each year shall be the responsibility of the board of directors.

7.7 Directors' Meetings

7.7.1 Directors acting other than at meeting

- 7.7.1.1 A decision that could be voted on at a meeting of the Board of the Company may instead be adopted by written consent of a majority of directors, given in person, or by electronic communication, provided that each director has received notice of the matter to be decided.
- 7.7.1.2 A decision made in this manner is of the same effect as if it had been approved by voting at a meeting.
- 7.7.1.3 Subject to the provisions of the Act, a resolution in writing, signed by all the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

7.7.2 Proceedings of the board of directors

- 7.7.2.1 A director may at any time convene a meeting of the directors.
- 7.7.2.2 The board may meet for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit, provided that:
 - 7.7.2.2.1 Reasonable notice shall be given of meetings of the directors and an agenda shall be circulated at least 7 (seven) days in advance of the meetings unless for reasons of urgency that is not possible; and
 - 7.7.2.2.2 The directors shall meet regularly at such intervals as the board may from time to time determine, for the despatch of business, subject thereto that any two directors or the chairman (as the case may be) shall be entitled to instruct the secretary to convene a meeting of the board of directors.
- 7.7.2.3 Questions arising at any meeting of the board shall be decided by a majority of votes if consensus could not be reached which the board shall at all times strive to reach. The chairman shall allow reasonable time in his discretion to debate the issues in respect of which consensus cannot be reached. In case of an equality of votes, the chairman shall have a second or casting vote.
- 7.7.2.4 Unless absent from the Republic every director shall be entitled to receive notice of all meetings of the board of directors.
- 7.7.2.5 The quorum for the transacting of business at a meeting of the directors shall be majority of the directors in office. If a quorum is not present at a meeting, that meeting shall be adjourned to the same time and place in the following week or if that is a public holiday, to the following day and the chairman shall ensure that a faxed or email notice of such adjournment is given to all directors. The directors

present at the adjourned meeting shall constitute a quorum even if they do not meet the afore-mentioned quorum requirements.

- 7.7.2.6 The continuing directors may act notwithstanding any vacancy in their number but if and so long as their number is reduced below the number fixed by or pursuant to the articles as the necessary quorum of the board of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.
- 7.7.2.7 The directors may elect a chairman of their meetings and determine the period for which he is to hold office. The chairman shall act as chairman for any meeting of the board held during his term of office. If there is no such chairman or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or has notified his inability to be present or is unwilling to act as chairman, the vice chairman shall act as chairman and if he cannot or will not act the members present shall choose one of their number to be chairman of the meeting.
- 7.7.3 The Board of Directors is authorised to allow for the conduct of a meeting entirely by electronic communication as set out in section 73(3) of the Act.
- 7.7.4 The authority of the Company's Board of Directors to determine the manner and form of providing notice of its meetings, as set out in section 73(3) is not limited or restricted by this MOI.
- 7.7.5 The authority of the Company's Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5) is limited or restricted in that in the event of an equality of votes, the chairman shall not have a casting vote.
- 7.7.6 Questions arising at any meeting shall be decided by a majority of votes.
- 7.7.7 All acts done by any meeting of the directors or a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and were qualified to be a director.
- 7.7.8 It shall, however, be competent for every director, even if he is not a member of the company, to attend general meetings of the company and to take part in the deliberations thereat and to express his views on any matter before the meetings, but he shall not be entitled, unless he is a member or otherwise entitled to vote, to exercise any voting rights at any such general meeting, save as proxy for or representative of a member.

7.8 Written resolutions

Subject to the MOI:

- 7.8.2 a resolution in writing signed by all the members of the board (or their alternates where applicable) for the time being or all the members of a directors' committee shall be as valid and effectual as if it had been passed at a meeting of the board or the committee duly called and constituted. The resolution may consist of several documents, each signed by one or more directors in terms of this article or may consist of one or more facsimiles or emails reflecting signatures of the directors, and shall be deemed to have been taken on the date upon which it has been signed by the director who signed last (unless a statement to the contrary is made in that resolution);
- 7.8.3 in the case of matters requiring urgent resolution or, if for any reason it is impracticable to meet as contemplated in the MOI or pass a resolution as contemplated in 7.8.1 above, proceedings may be conducted by utilising conference telephone facilities, provided that the required quorum is met. A resolution agreed to during the course of such proceedings

shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. The secretary of the company shall as soon as is reasonably possible after such meeting by telephone has been held, be notified thereof by the relevant parties to the meeting, and the secretary shall prepare a written minute thereof.

7.9 Committees of the Board

- 7.9.1 The board may delegate any of its powers to committees consisting of such member or members of their body as they think fit (which shall not necessarily be directors of the company). Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.
- 7.9.2 A committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may elect one of their number to be chairman of the meeting.
- 7.9.3 A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present and in case of an equality of votes, the matter shall forthwith be referred to the board for decision.
- 7.9.4 In particular, a Marketing Committee and a Development Committee may respectively be formed by the company. Such committee(s) shall furthermore perform the functions and have the powers and authorities as the board may determine from time to time in their discretion. The number of committee members and the period of office shall be determined at the discretion of the board of directors.

7.10 Delegation of powers to Executive Committee

- 7.10.1 The board may from time to time entrust to or confer upon one or more directors, an executive director or other official of the company for the time being such of the powers and authorities vested in them as they may think fit, and they may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restriction as they may think expedient; and they may confer such powers and authorities either collaterally with or to the exclusion of, and in substitution for, all or any of the powers and authorities of the board and may from time to time revoke or vary all or any of such powers and authorities. In particular, all contracts, deeds, cheques and other documents which are required to be signed on behalf of the company, shall be signed in such manner as the board shall from time to time determine.
- 7.10.2 The management and handling of the day to day affairs of the company may be entrusted by the board to an executive committee consisting of at least the chairman, 2 (two) other directors, the executive director or manager or chief executive officer, if there is one, occupying the office from time to time. The chairman of the board shall also act as chairman of the executive committee.

7.11 Borrowing powers

- 7.11.1 The Directors may from time to time exercise all the powers of the company to borrow money: Provided that such actions will be executed only in accordance with the main object of the company.
- 7.11.2 The Directors may secure the payment of moneys borrowed in any manner including the mortgaging and pledging of property and, without detracting from the generality thereof, in particular by the issue of any kind of debenture or debenture stock, with or without security: Provided that such actions will be executed only in accordance with the main object of the Company.

7.12 Indemnification of Directors

- 7.12.1 The authority of the Company to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78(4) is not limited, restricted or extended by this MOI.
- 7.12.2 The authority of the Company to indemnify a director in respect of liability as set out in section 78(5) is not limited or restricted by this MOI.
- 7.12.3 The authority of the Company to purchase insurance to protect the Company, or a director, as set out in section 78(7) is not limited, restricted or extended by this MOI.
- 7.12.4 Every director, manager, secretary and other officer or servant of the company shall be indemnified by the company against, and it shall be the duty of the directors out of the funds of the company to pay to him, all costs, losses and expenses including travelling expenses which he may have incurred or become liable for by reason of any contract entered into or act or deed done by him in that capacity or in any way in the bona fide discharge of his duties.
- 7.12.5 No director, manager, secretary or other officer or servant of the company shall be liable for any act, omission or failure of any other director or officer or servant, or for joining in any such act or omission or failure, or for loss or expenses suffered by the company through the inadequate or incomplete title to any property acquired by order of the directors or on behalf of the company, or for insufficient or defective security in or upon which any of the monies of the company have been invested, or for any loss or damage arising from the insolvency, liquidation or delict of any person with whom any monies, securities or effects have been deposited, or for any loss or damage occasioned by any error of judgement or oversight on his part or for any loss, damage or misfortune whatever which took place in the execution of his duties of office, unless he would otherwise be liable in law on the grounds of negligence, default, breach of duty or breach of trust in relation to the company.

7.13 Expenses of directors

Subject to paragraph 4.3 of the MOI of the company and excluding the remuneration payable in terms of 7.5.4 above, the directors may from time to time be paid all reasonable expenses which may be incurred by them in or about the execution of the powers conferred upon them.

7.14 Validity of acts

- 7.14.1 All acts done at or authorised by any meeting of the board or of a committee of the board or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed or had duly continued in office, or was qualified and had continued to be a director or had been entitled to vote as a director.
- 7.14.2 No director or intending director shall be disqualified by his office from contracting with the company in any manner whatsoever provided that the director discloses to the remaining directors at the relevant meeting the nature of his/her interest, whether direct or indirect, even if one or more of the directors may know of it already. Such director shall not be entitled to vote at any meeting of the board or otherwise in relation to such contract, but he/she shall be reckoned for the purpose of constituting a quorum of directors.

8. Meetings of the Company

The company is governed by the applicable sections in the Act, in addition to the provisions set out below:

8.1 General meetings

- 8.1.1 The Company shall hold its first annual general meeting within eighteen months after the date of its incorporation and shall thereafter in each year hold an annual general meeting; provided that not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.
- 8.1.2 Other general meetings of the Company may be held from time to time.
- 8.1.3 Annual general meetings and other general meetings shall be held at such time and place as the Directors shall appoint.

8.2 Notice of meetings

Section 62 of the Act applies, in addition to the following –

- 8.2.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 15 (fifteen) business days' notice in writing and any other general meeting shall also be called by not less than 15 (fifteen) business days' notice in writing.
- 8.2.2 The notice shall be in writing, exclusive of the day on which it is served or deemed to be served and of the date for which it is given, and shall specify the place, the day and the hour of the meeting and shall be delivered to each member either by electronic communication or by prepaid post addressed to such member at his registered address.
- 8.2.3 Every notice calling an annual general meeting shall specify the meeting as such.
- 8.2.4 The notice convening the meeting shall state:
 - 8.2.4.1 Which directors will be retiring and whether they are offering themselves for re-election as directors;
 - 8.2.4.2 That nominations to fill any vacancies as directors there may then be or will be following the retirement of directors must be made in writing endorsed with the acceptance of the nomination by the nominee and delivered to the registered office of the company or such other address as may be specified in the notice convening the annual general meeting or sent by facsimile transmission to the number specified in that notice no later than 10 clear days before the date of that annual general meeting;
 - 8.2.4.3 Not less than 5 (five) business days before the date of that annual general meeting the company shall give members notice of any nominations made in terms of section 8.2.4.2 (but any failure to do shall not invalidate any such nominations) and shall include in such notice any statement by the nominee not exceeding two hundred words that was submitted with his or her nomination provided that such statement is not in the opinion of the board defamatory or otherwise objectionable.
 - 8.2.4.4 A meeting of the company, notwithstanding that it is called by shorter notice than that specified in this section, shall be deemed to have been duly called if it is so agreed to by a majority in number of the members having the right to attend and vote at the meeting and together representing not less than 95% (ninety-five percent) of the total voting rights of all members having at the said date the right to vote at general meetings of the company.
 - 8.2.4.5 The inadvertent omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any person entitled to receive such notice, shall not invalidate the proceedings at that meeting.

8.3 Conduct of meetings (Section 63)

- 8.3.1 A members' meeting may only be held in person, by proxy or representative.
- 8.3.2 The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the election of directors (where applicable) and other officers in the place of those retiring and the appointment and fixing of remuneration of the auditor and deal with any other business laid before it. All other

business or business laid before any other general meeting shall be considered special business.

- 8.3.3 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum for such meetings shall be 25 % (twenty five percent) in number of members entitled to vote, present in person or by proxy or, if a member is a body corporate, represented at the meeting.
- 8.3.4 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or, if that day be a public holiday, to the next weekday not being a public holiday, and if at such adjourned meeting a quorum is not present within 15 (fifteen) minutes after the time appointed for the meeting, the members present in person or by proxy shall form a quorum subject to the provisions of section 64 of the Act as regards the requirements for the adoption of a special resolution.
- 8.3.5 Where a meeting has been adjourned as aforesaid or pursuant to 8.3.8 below the company shall, upon a date not later than 3 (three) days after the adjournment, give to members, a notice served in manner hereinafter appearing stating:
 - 8.3.5.1 the date, time and place to which the meeting had been adjourned;
 - 8.3.5.2 the matter before the meeting when it was adjourned; and
 - 8.3.5.3 the ground for the adjournment.
- 8.3.6 The chairman of the board shall preside as chairman at every general meeting of the company.
- 8.3.7 If there is no such chairman or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, the vice chairman of the board shall act as chairman or, failing him, the members present shall elect one of their number to be chairman of the meeting.
- 8.3.8 The chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned, the provisions of articles 8.3.4 and 8.3.5 above shall mutatis mutandis apply to such adjournment.
- 8.3.9 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded beforehand or on the declaration of the result of the show of hands:
 - 8.3.8.1 by the chairman of the meeting; or
 - 8.3.8.2 by at least 5 (five) members present in person or by proxy having the right to vote at the meeting; or
 - 8.3.8.3 by any member or members present in person or by proxy having the right to vote at the meeting and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting.
- 8.3.9 Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry made to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 8.3.10 If a poll is duly demanded it shall be taken in such manner as the chairman or the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In determining the result of the poll the number of votes to which each member is entitled in terms of the articles shall be taken into account. Scrutineers shall be appointed by the chairman of the meeting to determine the result of the poll, and their decision, which shall be announced by the chairman of the meeting, shall,

when announced, be deemed to be the resolution of the meeting at which the poll is demanded.

- 8.3.11 A poll, which is demanded on the election of a chairman of the meeting or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 8.3.12 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
- 8.3.13 Subject to 6.6 above in relation to voting by associate members, on a show of hands every member who is not in arrears in payment of his membership fees shall have 1 (one) vote.
- 8.3.14 Subject to 8.3.17 below on a poll the total number of votes in the company shall be equal to the total amount of membership fees due and paid at the relevant date expressed in Rands, adjusted upwards or downwards to the nearest round number, and each member shall have the number of votes equal to his membership fees due and paid at that date, expressed in Rands and *mutatis mutandis* adjusted as aforesaid.
- 8.3.15 The membership fees due and paid by associate members shall not be taken into account in determining the total number of votes.
- 8.3.16 Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint another person who is also a member of the company as his proxy, to attend and vote in his stead on a poll but not on a show of hands, and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meetings.
- 8.3.17 On a poll votes may be given either personally or by proxy.
- 8.3.18 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or, if the appointer is a body corporate, under the hand of an officer or agent authorised by such body corporate. Every notice convening a meeting of the company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and, on a poll, vote in his stead, provided that a proxy must also be a member.
- 8.3.19 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the company, not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument of proxy is to exercise his vote and failing compliance herewith such instrument shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date when it was signed, unless so specifically stated in the proxy itself.
- 8.3.20 The instrument appointing a proxy may be in any form which the directors may approve and which complies with the provisions of section 189(5) of the Act, and shall be deemed to confer the power to demand or to join in a demand that a poll be taken.
- 8.3.21 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the company at its registered office before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.
- 8.3.22 No objection may be raised against the authority of a member to vote except during the meeting or adjourned meeting at which the vote objected against is cast or proffered and every vote, which has not been refused during such meeting, shall for all purposes be valid. Any such objection, which had been made timeously, shall be referred to the chairman of the meeting and his decision shall be final and binding.
- 8.3.23 Any corporate body which is a member of the company may by resolution of its directors, or other governing body, authorise such person as it thinks fit to act as its representative at any

meeting of the company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporate body which he represents as that corporate body could exercise if it were an individual member of the company.

- 8.3.24 All resolutions at any general meeting of the company where a quorum is present shall, subject to the provisions of the Act in relation to special resolutions and unless stipulated to the contrary in the memorandum and articles of association of the company in respect of a particular matter, be taken by a majority vote.

8.4 Meeting quorum and adjournment (Section 64)

- 8.4.1 The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the election of directors and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.
- 8.4.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, 25% (twenty-five percent) in number of members entitled to vote, present in person or by proxy or, if a member is a body corporate, represented at the meeting.
- 8.4.3 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to a day not earlier than seven days and not later than twenty-one days after the date of the meeting and if at such adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the members present in person or by proxy, or represented shall be a quorum.
- 8.4.4 The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the company.
- 8.4.5 If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall elect one of their number to be chairman.
- 8.4.6 The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

8.5 Member resolutions (Section 65)

- 8.5.1 For an ordinary resolution to be approved by members, it must be supported by more than 50% of the voting rights of those present, in person, by proxy or represented.
- 8.5.2 For a special resolution to be approved by members, it must be supported by at least 75% of the voting rights of those present, in person, by proxy or represented.
- 8.5.3 A special resolution adopted at a Members' meeting is not required for a matter to be determined by the Company, except those matters set out in section 65(11), or elsewhere in the Act.
- Section 65(11) A special resolution is required to –
 - d) Amend the company's Memorandum of Incorporation to the extent required by section 16(1)(c);
 - e) Approve the voluntary winding-up of the company, as contemplated in section 80(1); or
 - f) Approve any proposed fundamental transaction, to the extent required by Part A of Chapter 5.

9. Company records

The company will comply with the requirements as contained in section 24 – “Form and Standards for company records”; section 25 – “Location of company records” and section 26 – “Access to company records” of the Act.

9.1 **Inspection of Minutes**

The minutes kept of every general meeting and annual general meeting of the company may be inspected and copied as provided for in sections 24, 25 and 26 of the Act.

9.2 **Minutes and Minute book**

- 9.2.1 The board shall cause minutes to be kept in books provided for the purpose:
 - 9.2.1.1 of all appointments of officers made by the board of directors;
 - 9.2.1.2 of the names of the members of the board present at each meeting of the board and of any committee of the board of directors; and
 - 9.2.1.3 of all resolutions and proceedings at all meetings of the company and of the board and of the committees of the board of directors, and any such minutes of any meeting of the company, of the board or of any committee, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters of such minutes.
- 9.2.2 Every member of the board present at any meeting of the board shall sign his name in a book to be kept for that purpose.

10. **Accounting records**

- 10.1 The board shall cause such accounting records to be kept as are prescribed by section 28 of the Act – Accounting records.
- 10.2 The company will comply with the requirements, as set out in section 29 of the Act, in respect of financial statements.
- 10.3 The board shall, in terms of section 30 of the Act, cause to be prepared and laid before the company in general meeting such annual financial statements, group annual financial statements and group reports (if any) as are required by the Act.
- 10.4 Section 30 of the Act further requires that the company prepare Annual Financial Statements within six months after the end of the company’s financial year.
- 10.5 The accounting records shall be kept at the registered office of the company or at such other place or places as the directors think fit, and shall always be open to inspection by the directors.
- 10.6 The board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the company or any of them shall be open to inspection by members not being directors, and no member (not being a director) shall have any right of inspecting any accounting records or document of the company except as conferred by the Act or authorised by the directors or by the company in general meeting.
- 10.7 A copy of the annual financial statements and group annual financial statements (if any), which is to be laid before the company in general meeting, shall not less than 15 (fifteen) business days before the date of the meeting, be sent to all such persons as are entitled to receive notices of general meetings of the company, provided that this article shall not require a copy of any of the aforementioned documents to be sent to any person of whose address the company is not aware.
- 10.8 The company will comply with such reporting requirements as may be determined by the Commissioner of the South African Revenue Services from time to time.

11. **Additional accountability requirements**

- 11.1 In terms of section 30(2)(b)(ii)(bb) the company elects to have the annual financial statements of the company independently reviewed in a manner that satisfies the regulations made in terms of section 30(7), subject to subsection 30(2A) of the Act.
- 11.2 In terms of section 34(2) of the Act, the Company does not elect to comply voluntarily with the extended accountability requirements set out in Chapter 3 of the Companies Act, 2008, except to the extent contemplated in section 84(1)(c), or as required by the company's MOI.

Application of Chapter 3 – Enhanced Accountability and Transparency

84(1) This Chapter applies to –

- (c) a private company, a personal liability company or a non-profit company
- (i) if the company is required by this Act or the regulations to have its annual financial statements audited every year: Provided that the provisions of Parts B and D of this Chapter will not apply to any such company; or
- (ii) otherwise, only to the extent that the company's Memorandum of Incorporation so requires, as contemplated in section 34(2).

12. **Pre-acquisition profits**

In the discretion of the board and to the extent that it is lawful, if any asset, business or property is acquired by the company as from a date in the past (whether such date falls before or after the incorporation of the company) on condition that the income and gains and/or expenses thereof shall accrue to the company as from that date, such income/gain or expenses shall be credited or debited, as the case may be, in whole or in part to the income account, and any amount so credited or debited shall for all purposes be dealt with as an income/gain or expense.

13. **Avoidance arrangements**

The company is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of, an impermissible avoidance arrangement contemplated in Part IIA of Chapter III, or a transaction, operation or scheme contemplated in section 103(5) of the Income Tax Act.

14. **Winding-up or Dissolution of the Company**

Despite any provision in any law or agreement to the contrary, upon the winding-up or dissolution of the company –

- 14.1 no past or present member or director of the company, or person appointing a director of the company, is entitled to any part of the net value of the company after its obligations and liabilities have been satisfied; and
- 14.2 the entire net value of the company must be distributed to one or more non-profit companies, registered external non-profit companies carrying on activities within the Republic, voluntary associations or non-profit trusts -
 - 14.2.1 having objects similar to the company's main object; or
 - 14.2.2 another entity approved by the Commissioner of the South African Revenue Services as set out in Section 30B of the Income Tax Act; or
 - 14.2.3 a public benefit organisation approved in terms of section 30 of the Income Tax Act; or
 - 14.2.4 an institution, board or body which is exempt from tax under section 10(1)(cA)(i) of the Income Tax Act; or
 - 14.2.5 the government of the Republic in the national, provincial or local sphere; and
 - 14.2.6 as determined –
 - 14.2.6.1 in terms of the company's MOI;

FRANSCHHOEK
WINE VALLEY
TOURISM
PERFORMANCE
INDICATORS
2021-2022



VALLEY OF DREAMS



Franschhoek Wine Valley

whilst following the
philosophy of
sustainable tourism,
the sheer beauty of
this valley invites all
who visit to imagine,
embrace & value
a finer experience of
life



BRAND MANIFESTO & POSITIONING

*The sheer beauty of this valley invites
all aspiring to a finer life and where
like-minded people come to enjoy its
charms*

ASPIRATIONAL

- ❖ Finest restaurants & chefs
- ❖ Award-winning wineries
- ❖ Exclusive shops & boutiques
- ❖ Artisanal delights & craft breweries
- ❖ International galleries
- ❖ Outdoor activities

ACCESSIBLE

- ❖ 60 mins from the Mother City
- ❖ Accommodation options to suit all tastes & budgets
- ❖ Fine-dining to crowd pleasing restaurants
- ❖ Place for action and adventure seekers or simply a place to relax
- ❖ Friendly & community driven local residents

UNIQUE

- ❖ Unlike any other place in South Africa
- ❖ Spectacular views & nature at its best
- ❖ Architectural charm & rich history
- ❖ Authentic
- ❖ One of a kind

OUR BRAND ATTRIBUTES

Valley of Dreams

SUSTAINABILITY

- ❖ Investment in the sustainability of our environment & social development of our communities

INCLUSIVITY

- ❖ Our focal point is our people. We are an inclusive destination where our locals & visitors co-exist & interact around shared & valued experiences

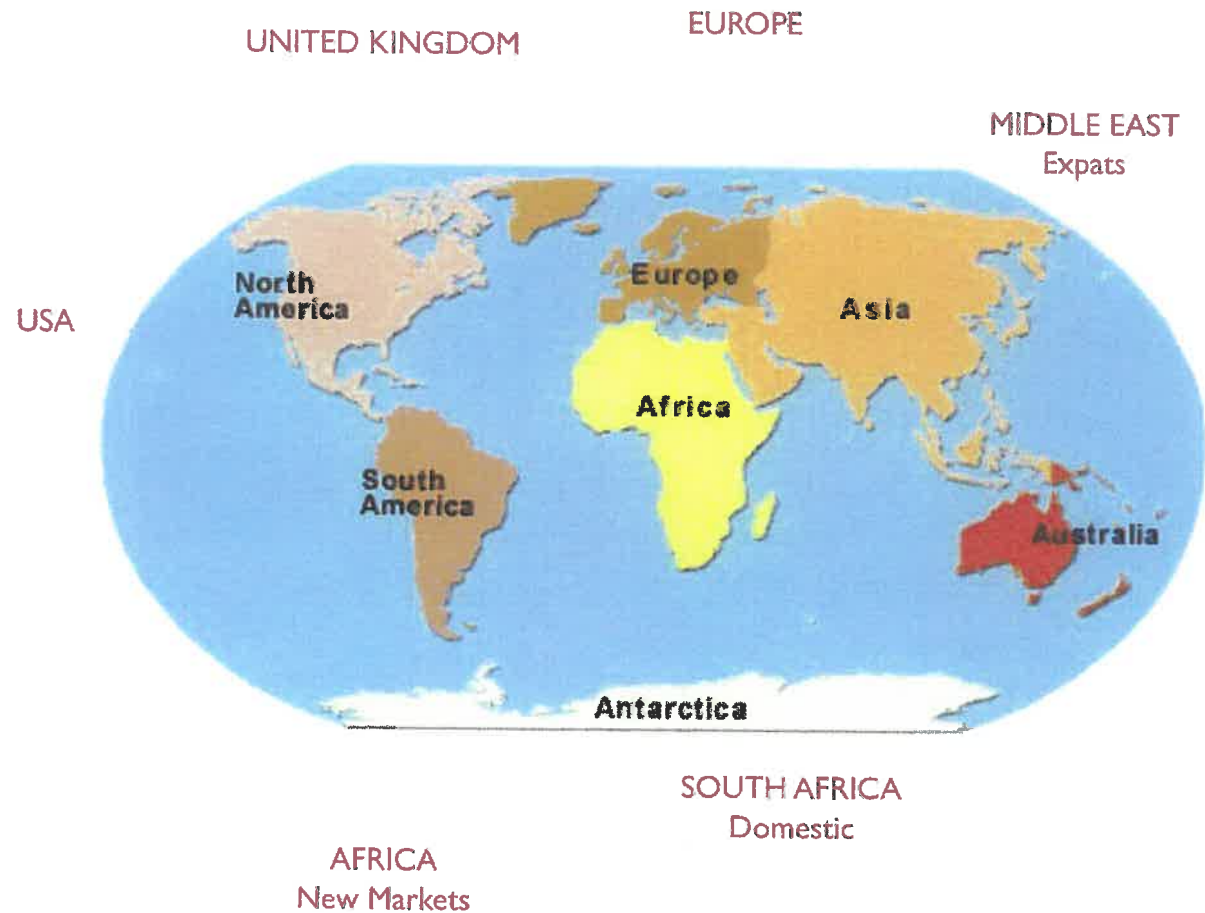
INTEGRITY

- ❖ We are a community where people come to share, discover, learn, create, start-up, launch, rest & bring into being

HOSPITALITY

- ❖ Franschhoek provides consistently high levels of service and our community has an ethos of generosity at every touch point of the local or visitor experience

TARGET MARKETS



▣ DEMOGRAPHICS

- 35-65 years
- Couples / Families
- Price & Travel Savvy
- Digitization Increasing

▣ GENERAL TRAVEL MONTHS

- EUROPE, UK, USA – September – March
- DOMESTIC – Weekend, Public & School holidays
- AFRICA - All year around

▣ WHATS IMPORTANT TO THEM WHEN THEY TRAVEL

- Value for money
- Outdoor Nature-based Destinations
- Good Food & Wine
- Safety & Security
- Weather
- Cultural Experiences
- The “friendly” SA Experience

□ AREAS OF FOCUS/APPEAL

- Relaxation & sightseeing
- Visiting Family
- Romantic Getaways
- Family Holidays

□ WHERE DO THEY GET TRAVEL INFO?

- Online Information sites & buying
- Search Engines
- Recommendations friends & family
- Package Deals (Travel Agents)

□ OPPORTUNITY

- Great airlift into Cape Town
- High repeat business & Longer length of stay
- High visibility
- Traditional Travel & all year-round travel possible
- Good fit – share the same values as Franschhoek
- Growing black middle class /aspirational rising middle class
- Business travel

GUEST EXPERIENCE

DIVERSITY

- ❖ A diverse product with integrity creating a depth and quality of experience with access to wine farms, historic architecture, modern boutique wineries
- ❖ Pure indulgence provided by unique products in the arts & culture, history, classic cars,
- ❖ Only wine tram experience in South Africa

AUTHENTICITY

- ❖ An authentic travel experience
- ❖ Valuable experiences shared by bringing locals and visitors together to share each other's stories
- ❖ Access creative & physical outdoor activities

EXCELLENCE

- ❖ Meeting & exceeding the expectations of visitors constantly to enjoy a fulfilling & engaging encounter with Franschhoek

HOSPITALITY

- ❖ Feeling valued & pampered
- ❖ Offers a rich history, wine, culture & outdoor experiences in a quaint village to discerning travelers

MARKETS & MESSAGING

- Affordable outdoor & cultural activities
- Accessibility-one hour from Cape Town
- World class food & wine
- Friendly open citizens
- Value -filled experiences
- Perfect combination to SA safaris over the SA winter periods
- Sophisticated destination for all
- Daily International & Domestic flight accessibility

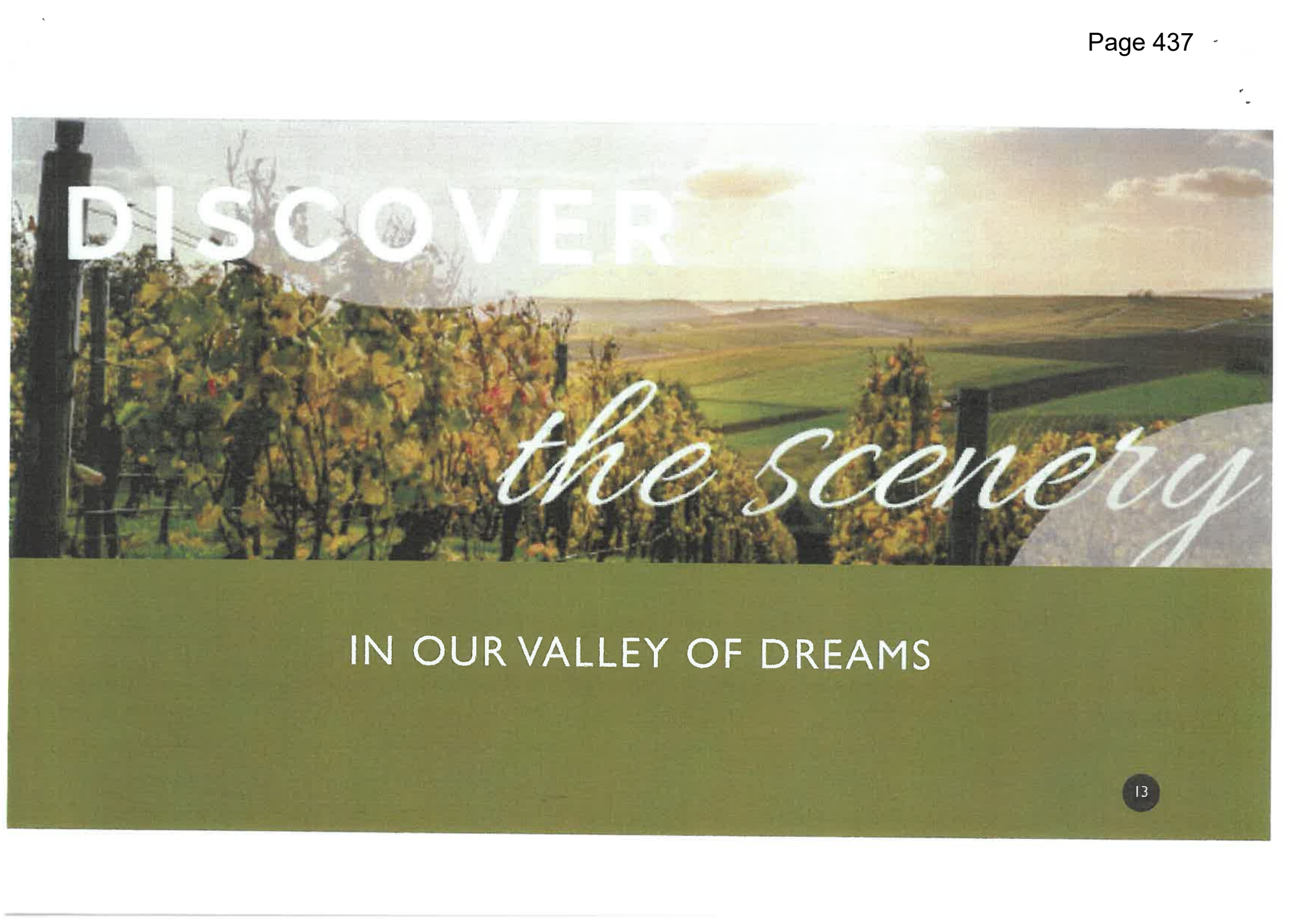


SUSTAINABILTIY

- Maintenance & preservation of heritage places
- Sustainability of wine farms & dependents
- Support, growth & development of community-based tourism & initiatives
- Respect practices of local people
- Underpin & support of local economy
- Franschhoek Hospitality Academy & Learning Centre – skills development & upliftment
- Local charity organisations
- Protection of natural fauna & flora







DISCOVER

the scenery

IN OUR VALLEY OF DREAMS

initiatives & platforms

new website & updates

blogs

newsletters

FWV mobile app

development

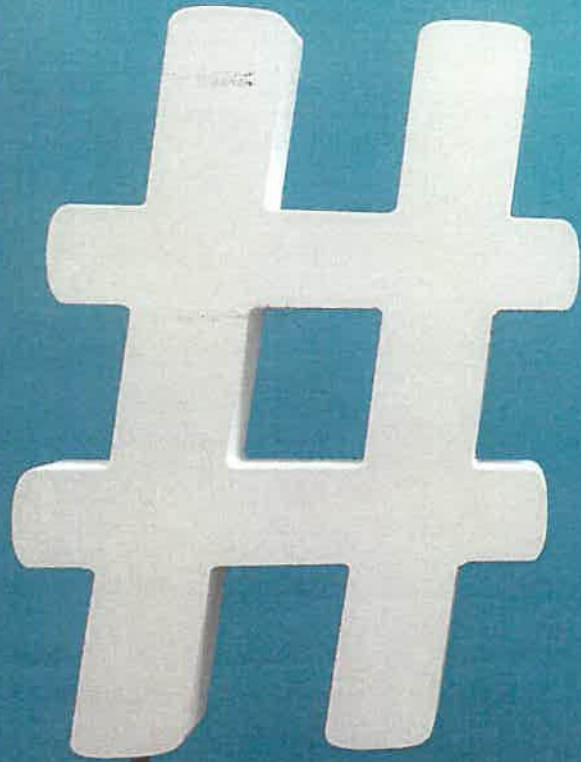
affiliated networks

info sessions

buy local



RESPOND



FRANSCHHOEK VALLEY OF DREAMS

- #franschhoekvalleyofdreams
- #discoverfranschhoek
- #franschhoekoutdoors
- #franschhoekadventures
- #franschhoekfinedining
- #franschhoekexplore

JOURNEY WITH US *...in the best possible way*

- Hop-on-hop-off experience
- Curated wine experiences
- Group experience
- Explore the views & the valley

*Perfect wine tram
experience!*



WEBSITE

Highlight

- Highlight Discovery Opportunities

Feature

- Regularly featured wine farms, restaurants, accommodation, festivals & events

Link

- Link to monthly theme in current content plan

Focus on

- Focus on unique selling points

Update

- Update site to reflect current information, members, etc

Compare

- Compare usage with statistics

MARKETING GOALS

Mitigate Covid-19

Increase Brand Awareness

Improve Seasonality

Franschhoek Beyond 2-day Visits

Align & Leverage Collective Marketing
for benefit of FWV

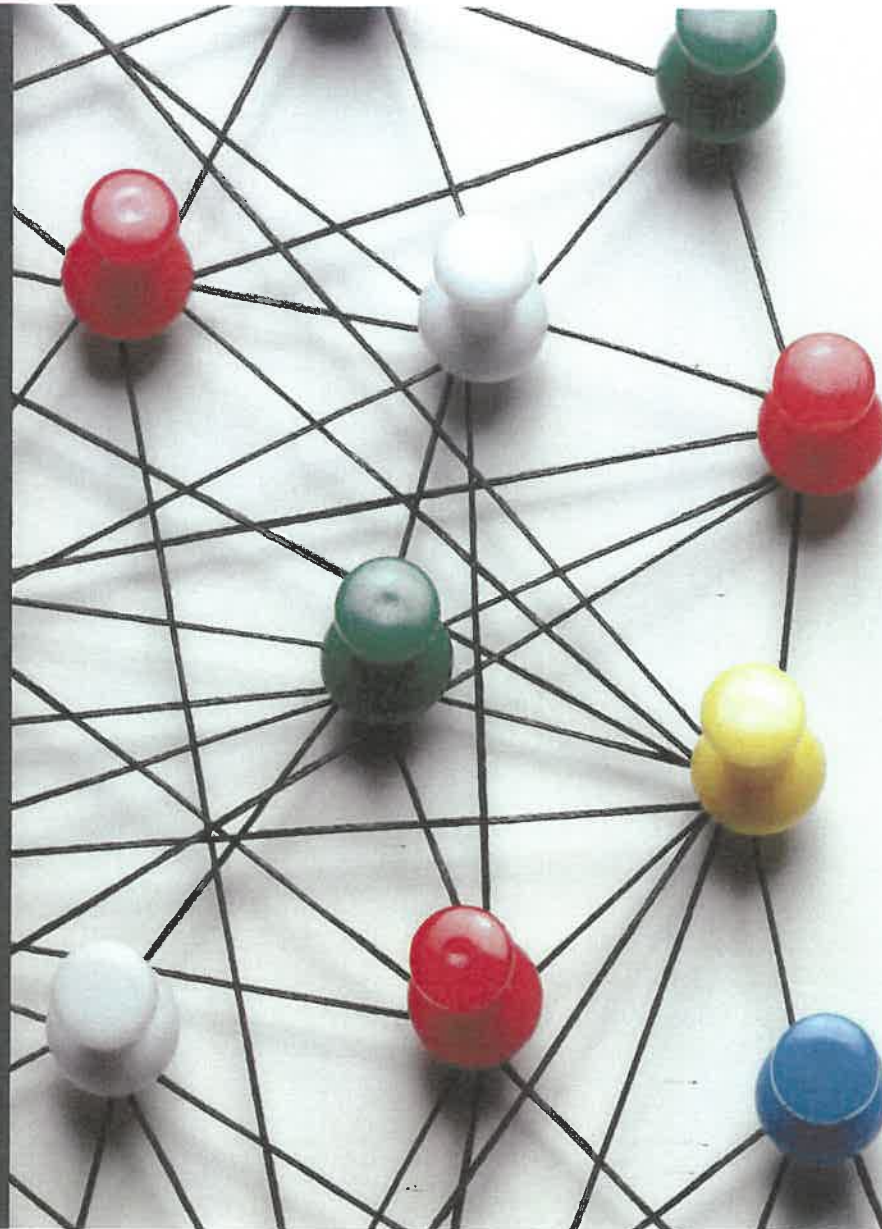
Increase Audience Access to Destination

ADVERTISING

- ❖ **Targeted Magazine Ads**
 - ❖ Local target based specific runs
(ie Cape Town, Johannesburg,
Garden Route)
- ❖ **Promoted Posts**
 - ❖ Instagram
 - ❖ Facebook
 - ❖ Twitter
- ❖ **Search Engine Optimisation**
- ❖ **Mobile Media**

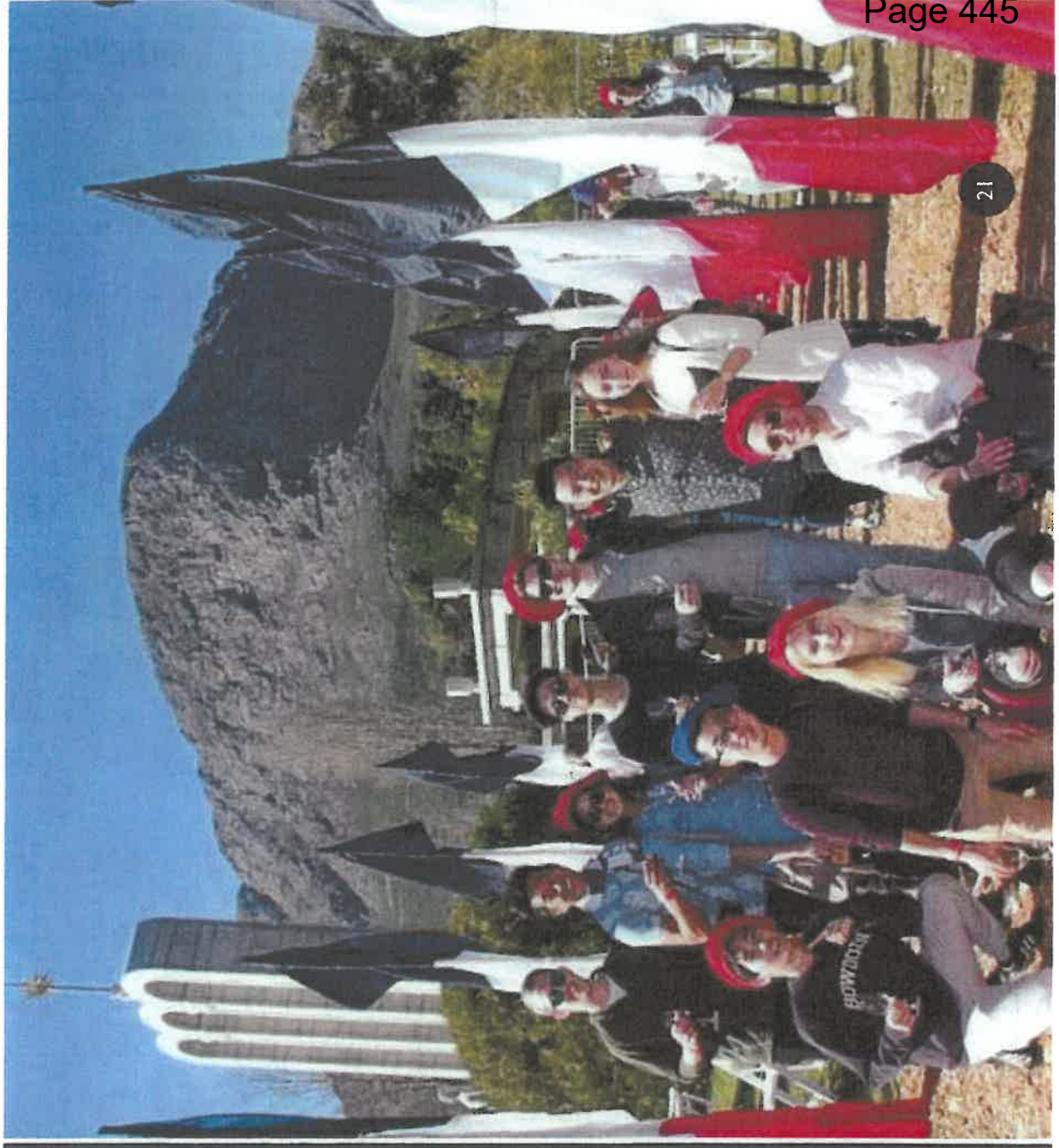
SOCIAL MEDIA

- Paid & targeted promotional advertising on social & digital media for CT & Gauteng audience
- Focus on audience building & profiling
- Advanced social media calendar planning, #strategies etc
- PR programme for print media
- Local radio stations content



ANNUAL FESTIVALS & EVENTS

- ❖ Franschhoek Literary festival
- ❖ Franschhoek Bastille festival
- ❖ Franschhoek Uncorked festival
- ❖ Franschhoek Open Gardens
- ❖ Franschhoek Classic Car festival
- ❖ Cap Classique and Champagne festival
- ❖ Franschhoek Chamber Music festival
- ❖ Weddings & Special Events



FRANSCHHOEK STRATEGIC PLAN
IN ALIGNMENT WITH OBJECTIVES
OF STELLENBOSCH MUNICIPALITY

Creating opportunities within the economic infrastructure to ensure dignified living

Promote peaceful & inclusive societies for sustainable development

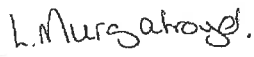
Promote inclusive & sustainable economic growth

Reducing and mitigating carbon footprint, protect & nurture biodiversity & Fynbos



CREDITOR CONTROL FORM / KREDITEUR KONTROLE VORM

COMPANY DETAILS	CREDITOR CONTACT DETAIL / KREDITEUR KONTAK BESONDERHEDE (Supplier / Verskaffer, Organization / Organisasie)			
	REGISTERED NAME / GEREISTREERDE NAAM	FRANSCHHOEK WINE VALLEY TOURIST ASSOCIATION		
	PHYSICAL STREET ADDRESS / FISIESE STRAAT ADRES:	POSTAL ADDRESS / POS ADRES: (If different to physical address)		
	STREET NAME: 62 HUGUENOT ROAD SUBURB: TOWN: FRANSCHHOEK POSTAL CODE: 7690	PO BOX 178 TOWN FRANSCHHOEK POSTAL CODE: 7690		
	TEL:	FAX / FAKS:		
PERSON	CREDITOR CONTACT PERSON DETAIL / KREDITEUR KONTAK PERSOON BESONDERHEDE			
	NAME AND SURNAME / NAAM EN VAN	LESLEY MURGATROYD		
	TEL: 021 876 2861	FAX / FAKS:	CELL / SEL: 082 406 9254	
	EMAIL / EPOS: accounts@franschhoek.org.za			
BANK DETAILS	CREDITOR BANKING DETAIL / KREDITEUR BANK BESONDERHEDE:			
	NAME OF BANK / NAAM VAN BANK	NEDBANK		
	BANK ACCOUNT NAME / BANK REKENING NAAM	FRANSCHHOEK WINE VALLEY TOURIST ASSOCIATION		
	BANK ACCOUNT NUMBER / BANK REKENING NOMMER	147 000 0024		
	BRANCH NUMBER / TAKKODE:	167 005		
	ACCOUNT TYPE / TIPE REKENING	CHEQUE / TJEK		☒
		SAVING / SPAAR		☐
	VAT REGISTERED / BTW GEREISTREER	YES / JA	☒	VAT / 4930209475
NO / NEE		☐	BTW NO:	

SIGNATURE / HANDTEKENING:  

OFFICE USE / KANTOOR GEBRUIK		
CREDITOR NO / KREDITEUR NO: <input type="text"/>		
Create a new creditor / Skep van nuwe Krediteur		
Changing of creditors details / Verandering op Krediteur inligting		
Deleting of creditor / Uitwis van Krediteur		
REQUESTED BY: AANGEVRA DEUR:	DATE: DATUM:	DEPARTMENT: DEPARTEMENT
MOTIVATION: MOTIVERING:		
ENTERED BY: INGEVOER DEUR:	DATE: DATUM:	



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Fax. +27 (0)21 876 2768
e.mail info@franschhoek.org.za
www.franschhoek.org.za
62 Huguenot Road, Franschhoek
PO Box 178, Franschhoek, 7690

Franschhoek Wine Valley
62 Huguenot Road
Franschhoek
Tel (021) 876 2861

Director: Planning and Economic Development Services,
58 Andringa Street,
Stellenbosch
7600

Grants-in-Aid Application

I hereby confirm that Franschhoek Wine Valley Tourism Association will receive R20,000 LTA funding from the Cape Winelands District Municipality during the 2021-2022 financial year, for the purpose of community development projects.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Ruth McCourt'.

Ruth McCourt
Marketing Manager Franschhoek Wine Valley

FRANSCHHOEK WINE VALLEY MUNICIPAL GRANT IN AIDE 2021/2025

Annexure B

	Municipal Grant 2021 / 2022 R 1 918 000	Municipal Grant 2022 / 2023 R 2 109 800	Municipal Grant 2023 / 2024 R 2 320 780	Municipal Grant 2024 / 2025 R 2 552 858
REVENUE : GRANTS	1 918 000	2 109 800	2 320 780	2 552 858
Grants	1 918 000	2 109 800	2 320 780	2 552 858
TOTAL INCOME	1 918 000	2 109 800	2 320 780	2 552 858
EXPENDITURE				
	28%			
ADMINISTRATION	530 562	583 618	641 980	706 178
Audit & sundry office expenses	108 500	119 350	131 285	144 414
Computer Maintenance & Expenses	45 000	49 500	54 450	59 895
Electricity, Water & Refuse	41 362	45 498	50 048	55 053
Telephone and Fax	71 000	78 100	85 910	94 501
Rent, security & maintenance	117 700	129 470	142 417	156 659
Rental - Office Equipment	147 000	161 700	177 870	195 657
	9%			
LED	175 000	192 500	211 750	232 925
Development Tourism Projects	70 000	77 000	84 700	93 170
Emerging Businesses Mentorship	35 000	38 500	42 350	46 585
School Projects	20 000	22 000	24 200	26 620
Hospitality Tourism Training & Dev	50 000	55 000	60 500	66 550
	32%			
MARKETING	617 000	678 700	746 570	821 227
Brochures & Maps	55 000	60 500	66 550	73 205
Trade Shows	35 500	39 050	42 955	47 251
Website & Digital Management	131 000	144 100	158 510	174 361
Social Media Marketing	82 500	90 750	99 825	109 808
Research & Statistics	98 000	107 800	118 580	130 438
Marketing Campaigns	215 000	236 500	260 150	286 165
	31%			
STAFF COSTS	595 438	654 982	720 480	792 528
Salaries	470 224	517 246	568 971	625 868
SDL & UIF & PAYE	102 214	112 435	123 679	136 047
Staff training and other	15 000	16 500	18 150	19 965
Staff Expenses	3 000	3 300	3 630	3 993
Workmens Compensation	5 000	5 500	6 050	6 655
TOTAL EXPENDITURE	1 918 000	2 109 800	2 320 780	2 552 858
Net Profit / (Loss)	0	0	0	0



TAX COMPLIANCE STATUS

PIN Issued

FRANSCHHOEK WINE VALLEY TOURIST
ASSOCIATION NPC
PO BOX 920
STELLENBOSCH
7599

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9121691159

Always quote this reference
number when contacting SARS

Issue Date: 2021/05/11

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Franschhoek Wine Valley Tourist Association Npc
Trading Name	FRANSCHHOEK WINE VALLEY TOURIST ASSOCIATION
Tax Reference Number(s)	IT - 9121691159 PAYE - 7780749422
Purpose of Request	Good Standing
Request Reference Number	0004029227GS1105211159424
PIN	B53222621R
PIN Expiry Date	11/05/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely
ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

APPENDIX 3

MEMORANDUM OF INCORPORATION

of

VISIT STELLENBOSCH NPC

A NON-PROFIT COMPANY WITH MEMBERS

(hereinafter "the Company")

1. OBJECTS OF THE COMPANY

The Company is a non-profit company with members, with the objects as set out in Schedule A hereto.

2. ADOPTION OF MEMORANDUM OF INCORPORATION

This Memorandum of Incorporation was adopted by the incorporators of the Company, in accordance with section 13(1), as evidenced by the following signatures made by each of them, or on their behalf.

NAME OF INCORPORATOR	IDENTITY NUMBER	SIGNATURE	DATE
Michael Stansfield Ratcliffe	721030 5173 08 8		14 JUN 2019
Jeanneret Momberg	680716 0026 08 6		14 JUN 2019
Jakobus Wilhelm Basson	580704 5119 08 1		14 JUN 2019

3. INTERPRETATION

3.1 In this Memorandum of Incorporation –

- 3.1.1 a reference to a section by number refers to the corresponding section of the Companies Act, No. 71 of 2008 (as amended) (hereinafter "the Act");
- 3.1.2 words that are defined in the Act bear the same meaning in this Memorandum as in the Act; and
- 3.1.3 words appearing to the right of an optional check line are void unless that line contains a mark to indicate that it has been chosen as the applicable option.

3.2 The Schedule(s) attached to this Memorandum are part of the Memorandum of Incorporation.

4. INCORPORATION AND JURISTIC PERSONALITY

- 4.1 The Company is incorporated as a Non-Profit company, as defined in the Act.
- 4.2 The Company is incorporated in accordance with, and governed by–
 - 4.2.1 the unalterable provisions of the Companies Act, 2008 that are applicable to Non-Profit companies;
 - 4.2.2 the alterable provisions of the Companies Act, 2008 that are applicable to Non-Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
 - 4.2.3 the provisions of this Memorandum of Incorporation.

5. POWERS OF THE COMPANY

- 5.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted as limiting or restricting those powers in any way whatsoever.
- 5.2 The legal powers and capacity of the Company are not subject to any restrictions, limitation or qualifications, as contemplated in section 19(1) (b) (ii).
- 5.3 The company is not subject to any provisions contemplated in Section 15(2) (b) or (c).
- 5.4 Upon winding up, deregistration or dissolution, the assets of the Company remaining after satisfaction of all its liabilities shall be transferred to some other association or institution having similar objects, or failing such determination, by the Court.
- 5.5 The power of the Company is limited by the tax conditions as contemplated in terms of section 30 of the Income Tax Act of 1962 (hereinafter "ITA") in terms whereof the Company will:
 - 5.5.1 submit to the Commissioner for the South African Revenue Service a copy of any amendment to the Memorandum of Incorporation for the Company within 30 (thirty) days of such amendment;
 - 5.5.2 not pay any remuneration to any employee, office bearer, member or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered;

- 5.5.3 has not and will not use its resources directly or indirectly to support, advance or oppose any political party; and
- 5.5.4 comply with such reporting requirements as may be determined by the Commissioner for the South African Revenue Service.
- 5.6 The Company is not knowingly and will not knowingly become a party to, and does not knowingly and will not knowingly permit itself to be used as part of an impermissible avoidance arrangement contemplated in Part IIA of Chapter III, or a transaction, operation or scheme contemplated in section 103(5) of the ITA.

6. OPTIONAL PROVISIONS

The Company does not elect, in terms of Section 34(2), to comply voluntarily with the extended accountability provisions set out in Chapter 3 of the Act.

7. MEMBERS OF THE COMPANY

The Company has members who are all in a single class, being voting members, each of whom has one vote in any matter to be decided by the members of the Company.

8. MEMBERS' AUTHORITY TO ACT

If, at any time, every member of the Company is also a director as contemplated in section 57(4), the authority of the members to act without notice or compliance with any other internal formalities is not limited or restricted by this Memorandum of Incorporation.

9. MEMBERS' RIGHT TO INFORMATION

In addition to the rights to access information set out in section 26 (1), membership shall confer upon each member the right to:

- 9.1 nominate and elect the directors of the Company;
- 9.2 receive copies of the annual financial statements of the Company; and
- 9.3 receive notice of, attend, speak and vote at a general meeting of the Company.

10. PROXIES AND REPRESENTATIVES

- 10.1 A member entitled to vote at a meeting may at any time appoint one or more persons in the alternative to each other as his proxy to attend, speak and vote at a meeting on his behalf.
- 10.2 A proxy need not be a member of the Company.
- 10.3 The instrument appointing a proxy shall be in writing or, if the appointer is a body corporate, under the hand of the authorised representative. A proxy need not be witnessed. Whether he is himself a member or not, the holder of a general or special power of attorney given by a member shall, if duly authorised under that power to attend and take part in meeting and proceedings of the Company, be entitled to attend general meeting and to vote thereat.
- 10.4 A form of proxy may be issued at the company's expense only if it is sent to all members who are entitled to attend and vote at a meeting to which the proxy form relates.
- 10.5 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, (or a notarially certified copy of such power of authority, shall be deposited at the office not less than 48 (forty-eight) hours before the time for the holding of the meeting. A form of power of attorney or proxy shall be invalid if the Article is not complied with.
- 10.6 Unless the contrary is stated, the form appointing a proxy shall be valid for each adjournment of a meeting to which it relates.
- 10.7 No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date on which it was signed unless specifically states to the contrary in the instrument of proxy itself.
- 10.8 The instrument appointing a proxy may be in any usual or common form approved by the directors but shall be so worded that the holder thereof may vote for, against or abstain from voting on any one or more of the resolutions proposed at the meeting at which the proxy is to be used.
- 10.9 A members' proxy may delegate the proxy's power to another person as set out in section 58(3)(b).
- 10.10 The authority of a member's proxy to decide without direction from the member whether to exercise, or abstain from exercising any voting right of the member, as set out in section 58 (7) is not limited or restricted by this Memorandum of Incorporation.

11. RECORD DATE FOR EXERCISE OF MEMBERS RIGHTS

If, at any time, the Company's Board of Directors fails to determine a record date as contemplated in section 59, the record date for the relevant matter is as determined in accordance with section 59 (3).

12. MEMBERS ACTING OTHER THAN AT A MEETING

Subject to the provisions of the Act, a resolution in writing signed by the majority of the member entitled to receive notice and to attend and vote at the meeting shall be as valid and effective as if it had been passed at a meeting duly called and constituted. A resolution in terms of this Article may consist of several documents of the same form, each of which is signed by one or more members in terms of this Article and shall be deemed to have been passed on the date of signature thereof by the last member entitled to sign same.

13. REQUIREMENT TO HOLD MEETINGS

The Company is required to hold an Annual General Meeting not later than 6 (six) months after the end of each financial year of the Company.

14. MEMBERS RIGHT TO REQUIRE A MEETING

The right of members to require a meeting, as set out in Section 61(3), may be exercised by at least 10% of the voting members, as provided for in that section.

15. LOCATION OF MEMBERS MEETINGS

The authority of the Company's Board of Directors to determine the location of any members meeting as set out in section 61(9) is not limited or restricted by this Memorandum of Incorporation.

16. NOTICE OF MEMBERS MEETINGS

The minimum number of days for the Company to deliver a notice of a members meeting to the members, as required by section 62, is 15 business days before the meeting is to begin.

17. ELECTRONIC PARTICIPATION IN MEMBERS MEETING

The authority of the Company to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication as set out in section 63 is not limited or restricted by this Memorandum of Incorporation.

18. QUORUM FOR MEMBERS MEETINGS

- 18.1 The quorum requirements for any members meeting to begin, or for a matter to be considered are 25 (twenty five percent) members present and entitled to vote, of which at least 2 (two) shall be directors of the Company.
- 18.2 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to 7 (seven) days later.
- 18.3 The authority of a meeting to continue to consider a matter, as set out in section 64(9) is restricted.
- 18.4 The maximum period allowable for an adjournment of a members meeting is as set out in section 64 (12).

19. MEMBERS RESOLUTIONS

- 19.1 For an ordinary resolution to be adopted at a members meeting, it must be supported by more than 50% of the members who voted on the resolution, as provided in section 65 (7).
- 19.2 For a special resolution to be adopted at a members meeting, it must be supported by at least 75% of the members who voted on the resolution, as provided in section 65(7).
- 19.3 No matters, except for those matters set out in section 65(11) require a special resolution adopted at a Members' meeting of the Company.

- 19.4 Subject to the provisions of this Memorandum of Incorporation, no person other than a duly registered member who has paid every sum, if any, which is due and payable to the Company in respect of or arising out of his membership and who is not under suspension, shall be entitled to present or vote on any question at any general meeting.

20. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

- 20.1 The Board of Directors of the Company shall comprise of not less than 3 (three) each of whom is to be appointed by the members at the Annual General meeting.
- 20.2 A director need not be a member of the Company.
- 20.3 Each appointed director shall hold office from the date of his appointment until the Annual General meeting following his appointment, at which meeting each director shall be deemed to have retired from office but shall, subject to nomination by a member of the company, be eligible for re-election to the Board of Directors.
- 20.4 In addition to the appointed directors there will be no appointed or ex officio directors as contemplated in section 66 (4).
- 20.5 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a director or a prescribed officer of the Company.

21. AUTHORITY OF THE BOARD OF DIRECTORS

The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66 (1) is not limited or restricted by the Memorandum of Incorporation.

22. BOARD OF DIRECTORS MEETINGS

- 22.1 The Board has the power to consider any matter and adopt any resolution other than at a meeting as set out in section 74 and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, provided that each Director has received notice of the matter to be decided.
- 22.2 The Board of the Company must call a meeting if required so by at least two directors.

- 22.3 The Board has the power to conduct a meeting entirely by Electronic Communication, as set out in section 73(3) provided that the electronic communication facility enables all persons participating in the meeting to communicate concurrently with each other.
- 22.4 The Board may determine the manner and form of providing notice of its meeting as set out in section 73 (4), provided that the notice period for the convening of any meeting of the Board will be at least 7 (seven) days unless the decision of the Directors is required on an urgent basis and agreed on by all directors, in which event the meeting may be called on shorter notice.
- 22.5 The authority of the Company's Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73 (5), is not limited or restricted by this Memorandum of Incorporation.
- 22.6 A majority of directors must be present at a meeting before a vote may be called at any meeting and each director has 1 (one) vote on a matter before the Board.

23. INDEMNIFICATION OF DIRECTORS

The Company may:

- 23.1 advance expenses to a Director or prescribed officer or directly or indirectly indemnify a director in respect of the defence of legal proceedings, as set out in Section 78(4);
- 23.2 indemnify a director or prescribed officer in respect of liability as set out in section 78(5); and
- 23.3 purchase insurance to protect the company or a director or prescribed officer as set out in section 78(7).

24. OFFICERS AND COMMITTEES OF THE BOARD

- 24.1 The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Company.
- 24.2 The authority of the Company's Board of Directors to appoint committees of directors and delegate to any such committee any of the authority of the Board as set out in Section 72(1), or to include in any such committee persons who are not directors, as set out in section 72(2)(a), is not limited or restricted by this Memorandum of Incorporation.

- 24.3 The authority of a committee appointed by the Board as set out in section 72(2) (b) and (c) is not limited or restricted by the Memorandum of Incorporation.

25. ANNUAL FINANCIAL STATEMENTS

A copy of the annual financial statement shall be tabled at the Annual General meeting and shall, not less than 15 (fifteen) days before the date of that meeting, be sent to every member of the Company.

26. NON-PROFIT AND PUBLIC BENEFIT STATUS OF THE COMPANY

- 26.1 The Company's income and property are not distributable to its members or office-bearers, except as reasonable compensation for services rendered.
- 26.2 Subject to the provisions of the Act, the Company's members and office-bearers have no rights in the property or other assets of the organisation solely by virtue of their being members or office-bearers.
- 26.3 The Company's financial transactions must be conducted by means of a banking account held with a bank registered under the Banks Act, 94 of 1990.
- 26.4 Notwithstanding any other provision of this Memorandum, the Company must at all times have at least three directors.
- 26.5 No Director may be a connected person (as contemplated in the ITA) in relation to another Director.
- 26.6 The Company may not directly or indirectly distribute any of its funds to any person otherwise than in the course of undertaking any public benefit activity as defined in the ITA and is required to utilise its funds solely for the object for which it has been established.
- 26.7 The Company may not accept any donation which is recoverable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of Section 18A of the ITA; provided that a donor (other than a donor which is an approved public benefit organisation as defined in the ITA or an institution board or body which is exempt from tax in terms of Section 10(1)(cA)(i) of the ITA, which has as its sole or principal object the carrying on of any

public activity as defined in the ITA) may not impose conditions which could enable such donor or any connected person in relation to such donor (as contemplated in the ITA) to derive some direct or indirect benefit from the application of such donation.

- 26.8 The Company must submit a copy of each amendment of this Memorandum of Incorporation to the Commissioner of the South African Revenue Service.

27. MEMORANDUM OF INCORPORATION AND COMPANY RULES

- 27.1 This Memorandum of Incorporation of the Company may be altered or amended only in the manner set out in section 16, 17 or 152 (6) (b).
- 27.2 In addition to the above, the Memorandum of Incorporation and Company Rules adopted from time to time may be amended from time to time on an Annual or Special General Meeting.
- 27.3 Subject to any restriction imposed or direction given at an annual general meeting of the Company, the directors may from time to time make rules as set out in Art 15(3) to (5).
- 27.4 The Company may in general meeting vary or modify any rules made by it or by the directors from time to time.
- 27.5 The Board must publish any rules made in terms of Section 15(3) to (5) by delivering a copy of those rules to each member electronically or by ordinary mail.
- 27.6 The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17 (1), by delivering a copy of those rules to each director and member by ordinary mail.

SCHEDULE A – OBJECT AND NATURE OF THE COMPANY

A.1 Object and Policies of the Company

A.1.1 The Main Object of the Company will be to perform the functions of the local Tourism Marketing, Tourism Development and Visitor Information Services for Stellenbosch. The objective of the company will focus on an inclusive and future-focused tourism plan for Stellenbosch town and surrounding areas (collectively "Stellenbosch") which will include but not be limited to the following:

- To enhance and uphold the national and international reputation of Stellenbosch.
- To build mutually beneficial strategic, operational and thematic partnerships for Stellenbosch.
- To actively market the town to both local and international visitors and to ensure a quality visitor experience.
- To cultivate visitor satisfaction and loyalty by creating a physical environment that is focused on delivering a quality experience.
- To actively assist all stakeholders (attractions, accommodation providers, conferences, businesses and educational institutions) with excellent service delivery, to become highly competitive and to adopt sustainable practices.
- To provide a world-class visitor information service.
- To build a culture of organisational excellence through strategic management, research, development and stakeholder relations.
- To encourage stakeholders to contribute to a sustainable funding model for the Stellenbosch Brand.
- To promote social cohesion to ensure financial, environmental and social sustainability of Stellenbosch.

A.1.2 The Object of the company complies with the requirements as set out in Section 1(a) of Schedule 1 of the Act being:

A.1.2.1 a public benefit object; or

- A.1.2.2 an object relating to one or more cultural or social activity, or communal or group interest; and
 - A.1.2.3 is consistent with the principles set out in this Schedule and the Memorandum of Incorporation.
- A.1.3 The Company applies all of its assets and income, however derived, to advance the main object, as stated, and may:
 - A.1.3.1 acquire and hold securities issued by a profit company; or
 - A.1.3.2 directly or indirectly, alone or with any other person, carries on any business trade of undertaking consistent with of ancillary to its stated object.
- A.1.4 The Company may not, directly or indirectly, pay any portion of its income or transfer any assets, regardless of how the income or asset was derived, to any incorporator, member, director or person appointing a director of the company, except in the following situations:
 - A.1.4.1 As reasonable remuneration for goods delivered or services rendered to, or at the direction of the company; or
 - A.1.4.2 Reasonable payment of, or reimbursement for, the expenses incurred to advance the stated object of the company;
 - A.1.4.3 As a payment of an amount due and payable by the company in terms of a bona fide agreement between the company and that person;
 - A.1.4.4 As a payment in respect of any rights of that person, to the extent that such rights is administered by the company in order to advance the stated object of the company;
 - A.1.4.5 In respect of any legal obligation binding on the company.
- A.1.5 Substantially the whole of the Company's funding must be derived from its annual or long-term Members or from appropriation by the government of the Republic in the national, provincial or local sphere.
- A.1.6 The Company may not have a share or other interest in any business, profession or occupation which is carried on by its Members.



**STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK**

APPENDIX A

Municipality • Umasipala • Munisipaliteit

**APPLICATION: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL
FUNCTION 2016/17**

**NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE
CONSIDERED**

PLEASE COMPLETE THE FOLLOWING:

A REGISTERED NAME OF ORGANISATION:
Visit Stellenbosch

**B DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED (INCLUDE
BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):**
Visit Stellenbosch was founded in 2019.

C ADDRESS:

(i) Street

(ii)

Postal

47 Church Street
Stellenbosch
7600

Suite 224, Postnet X5061
Stellenbosch
7599

Contact details:

Name and Surname:

Jeanneret Momberg.

Title/Position held:

CEO

Tel: 082 944 3868

E-mail: jeanneret@visitstellenbosch.org

D LIST ALL THE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:
DIRECTORS

Name and Surname:

Michael Ratcliffe

Position:

Chairman

Contact Address and tel. no: mike@vilafonte.com

Name and Surname:

Kobus Basson

Position:

Director Wine

Contact Address and tel. no: kobus@kleinezalze.co.za

21 MAY 2021

Name and Surname: Jeanneret Momberg
 Position: CEO
 Contact Address and tel. no: jeanneret@visitstellenbosch.org

BOARD MEMBERS (not directors)

Name and Surname: Kobus Potgieter
 Position: Finance Committee
 Contact Address and tel. no: kobus@hartenbergestate.com

Name and Surname: Annemien Kotze
 Position: Accommodation sector representative
 Contact Address and tel. no: annemien.kotze@gmail.com

Name and Surname: Carina Gous
 Position: Vice Chair (and wine sector)
 Contact Address and tel. no: cgous@kleinezalze.co.za

Name and Surname: Ben Carl Haveman
 Position: Accommodation sector
 Contact Address and tel. no: bc@blaauwklippen.com

Name and Surname: Raino Boltz
 Position: Experiences Sector
 Contact Address and tel. no: riano@adventureshop.co.za

Name and Surname: Bertus Basson
 Position: Restaurant Sector
 Contact Address and tel. no: bertus@bertusbasson.com

Name and Surname: Saartjie Botha
 Position: MICE Sector
 Contact Address and tel. no: ssb@sun.ac.za

Name and Surname: Cheryl Faro
 Position: Social Economic Development
 Contact Address and tel. no: cf@remgro.com

	<p>Name and Surname: Leslie van Rooi Position: Stellenbosch University Contact Address and tel. no: lbvr@sun.ac.za</p> <p>Name and Surname: Geraldine Mettler/ Craig Alexander Position: Stellenbosch Municipality Oversight Contact Address and tel. no: mm@ Stellenbosch.gov.za / Craig.Alexander@ Stellenbosch.gov.za</p>
D	<p>INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE: Ward W024</p> <p>Is the organisation a non-profit organisation? ☐ Yes ☒ No (NPC registered)</p> <p>If yes, registration number: 2019/30451008 (attach copy of registration certificate or proof of other affiliation where applicable)</p> <p>Is funding required for a specific project? ☒ Yes ☐ No If yes, attach details separately.</p> <p>Budget amount of projects: R4,790,000.00 Duration of project: July 2021 – June 2022</p> <p>Is funding required for general support? ☐ Yes ☒ No If yes, attach a copy of the organisation's overall budget and business plan. See Project and event plans attached.</p>
E	<p>CATEGORY</p> <p>Please categorise your application (mark with x):</p> <p>Local Tourism ☒ YES</p> <p>Municipal Planning ☐ Yes</p> <p>Accommodation and burial of animals ☐ Yes</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p>

Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy

.....Tourism projects and Events.....

.....

.....

.....

.....

.....

.....

F THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:

1. A copy of the latest, audited financial statements.
2. A copy of the Organisation's Constitution that is in the name of the applicant, signed and dated re acceptance. AGM minutes proofing the acceptance must be attached.
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following:
 - Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality.
 - Commencement and completion dates of the project.
 - Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution.
 - A list of all other sources of funding together with the assessments.
 - A summary of past achievements.
 - References independent of the applicant and its executive.
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.
5. If you have received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.
6. If you received funding from other bodies, please identify and the amount
7. Proof of registration/affiliation.
8. Valid Tax Clearance and Tax Exemption documents.

G THE FOLLOWING SHALL APPLY:

1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
2. An applicant who has been registered as a "non profit" organisation in terms of Section 13 of the Non Profit Organisation Act, 1997, must submit the necessary proof thereof together with its application.
3. Applicants must in their submission clearly indicate / specify and motivate

- what the funding will be utilised for.
4. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.
 5. Applicants must in their submission satisfy the Council of their ability to execute the project successfully.
 6. Organisations who have already received financial or other assistance from the Council during the previous financial year must specify same in their application.
 7. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations.
 8. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.
 9. Projects outside the boundaries of the Council will not be considered.
 10. Subsequent requests from applicants to cover overspending on projects will not be considered.
 11. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds.
 12. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body has to:-
 - Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.
 - Report monthly on the actual expenditure of the amount allocated.
 13. The Council reserves the right not to give funding to any or all organisations applying. Having been awarded funding previously does not give an applicant the right to receive a grant again.
 14. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
 15. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
 16. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
 17. Funding will not be considered where expenses have already been incurred

	<p>on a project by the applicant.</p> <p>(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)</p>
H	<p>UNDERTAKING:</p> <p>I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read; understood and will be complied with.</p> <p>I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.</p> <p>This completed and signed at Stellenbosch on this...21st.....day of ...May.....2021....</p>  <p>Chairperson / Authorised Representative</p>  <p>Secretary / Duly Authorised Signatory</p>
I	<p>PLEASE TAKE NOTE:</p> <p>(i) That <u>completed</u> application forms together with all the required documentation must be delivered to:</p> <p>The Local Economic Development Department (Attention: Mr R Honeywell) P O Box 17 Stellenbosch 7599</p> <p>Or delivered to:</p> <p>58 Andringa Street Stellenbosch 7600</p> <p>(ii) That the closing date for the submission of applications is: 20 December 2017 at 12:00</p> <p>(iii) That neither late nor incomplete applications shall be considered.</p>



VISIT STELLENBOSCH NPC
(Registration number 2019/304510/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Contents

The reports and statements set out below comprise the annual financial statements presented to the members:

Contents	Page
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	17
Tax Computation	18

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Preparer

These annual financial statements were prepared by LDP Compliance Proprietary Limited.



Independent Auditor's Report

AUDIT | ADVISORY | TAX

To the members of Visit Stellenbosch NPC

Opinion

We have audited the financial statements of Visit Stellenbosch NPC (the company) set out on pages 6 to 16, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Visit Stellenbosch NPC as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa No. 71 of 2008, as amended and the supplementary information provided on pages 17 to 18, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

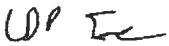
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



LDP Incorporated
Registered Auditor
J Goosen
Director

Stellenbosch

Date: 15/12/2020

10 Helderberg Street
Stellenbosch
7600

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 2 to 3.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the directors on 3 November 2020 and were signed on their behalf by:

MS Ratcliffe

J Memberg

JW Basson

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Visit Stellenbosch NPC for the year ended 30 June 2020.

1. Nature of business

Visit Stellenbosch NPC was incorporated in South Africa and is engaged in the marketing and development of tourism and visitor information services for Stellenbosch. The company operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended. The accounting policies have been applied consistently.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	Date of appointment
MS Ratcliffe	14 June 2019
J Momberg	14 June 2019
JW Basson	14 June 2019

4. Events after the reporting period

In December 2019, an outbreak of novel strain of coronavirus ("COVID-19") emerged globally. Although it is not possible to reliably estimate the length and severity of this outbreak and its financial impact, the company could be materially and possibly adversely affected by the risks, or the public perception of the risks, related to the recent outbreak of COVID-19. The current lockdown period, called by authorities, could further negatively impact the company's operations. The extent and the impact of COVID-19 on the company's operational and financial performance will depend on future developments including the duration and the spread of the outbreak.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. The company provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The directors have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

6. Auditors

LDP Incorporated was appointed as the auditors in accordance with section 90 of the Companies Act of South Africa No. 71 of 2008, as amended.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Notes	2020
Assets		
Non-Current Assets		
Property, plant and equipment	2	23 058
Intangible asset	3	53 871
		76 929
Current Assets		
Trade and other receivables	4	1 130 169
Cash and cash equivalents	5	2 121 396
		3 251 565
Total Assets		3 328 494
Equity and Liabilities		
Equity		
Accumulated loss		(237 846)
Liabilities		
Non-Current Liabilities		
Loan from group company	6	1 930 871
Current Liabilities		
Trade and other payables	7	1 634 511
Current tax payable		958
		1 635 469
Total Liabilities		3 566 340
Total Equity and Liabilities		3 328 494

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2020
Revenue	8	3 903 557
Cost of sales	9	(26 809)
Gross profit		3 876 748
Other income	10	1 760
Operating expenses		(4 115 396)
Operating loss	11	(236 888)
Loss before taxation		(236 888)
Taxation	12	(958)
Loss for the year		(237 846)
Other comprehensive income		-
Total comprehensive loss for the year		(237 846)

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Equity

Figures in Rand	Accumulated loss	Total equity
Loss for the year	(237 846)	(237 846)
Other comprehensive income	-	-
Total comprehensive loss for the year	(237 846)	(237 846)
Balance at 30 June 2020	(237 846)	(237 846)

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Cash Flows

Figures in Rand	Notes	2020
Cash flows from operating activities		
Cash generated from operations	13	295 475
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(34 950)
Purchase of intangible asset	3	(70 000)
Proceeds from loan from group company		1 930 871
Net cash from investing activities		1 825 921
Total cash movement for the year		2 121 396
Total cash at the end of the year	5	2 121 396

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa No. 71 of 2008, as amended. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight-line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Intangible asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible asset are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible asset, on a straight-line basis, as follows:

Item	Amortisation method	Average useful life
Website	Straight-line	3 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

A tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as liabilities.

Grants are measured at the fair value of the asset received or receivable.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2. Property, plant and equipment

	2020		
	Cost	Accumulated depreciation	Carrying value
IT equipment	34 950	(11 892)	23 058

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	-	34 950	(11 892)	23 058

3. Intangible asset

	2020		
	Cost	Accumulated amortisation	Carrying value
Website	70 000	(16 129)	53 871

Reconciliation of intangible asset - 2020

	Opening balance	Additions	Amortisation	Closing balance
Website	-	70 000	(16 129)	53 871

4. Trade and other receivables

Trade receivables	1 026 375
Other receivables	103 794
	1 130 169

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 646
Bank balances	2 119 750
	2 121 396

6. Loan from group company**Other group company**

Die Stellenbosse Wynroetes NPC	1 930 871
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The unsecured loan bears interest as agreed upon by the parties from time to time and has no fixed terms of repayment. No capital repayments are required in the next 12 months.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020
7. Trade and other payables	
Income received in advance	142 896
Cape Winelands District Municipality - deferred funding	80 000
Stellenbosch Unite	1 200 000
Trade payables	112 411
Value-added taxation	99 204
	1 634 511
8. Revenue	
Commissions received	56 654
Funding received - Cape Winelands District Municipality	44 000
Funding received - The Municipality of Stellenbosch	2 528 511
Membership fees	133 587
SWR funding	320 000
Sale of merchandise	20 805
Stay funding	800 000
	3 903 557
9. Cost of sales	
Cost of merchandise sold	26 809
10. Other income	
Other income	1 760
11. Operating loss	
Operating loss for the year is stated after accounting for the following:	
Operating lease charges	
Premises	
• Contractual amounts	124 369
Amortisation on intangible assets	16 129
Depreciation on property, plant and equipment	11 892
Employee costs	2 067 491

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial StatementsFigures in Rand 2020**12. Taxation****Major components of the tax expense**

Current taxation	958
South African normal tax - year	

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(236 888)
Tax at the applicable tax rate of 28% (2019: 28%)	(66 329)
Tax effect of adjustments on taxable income	27 276
Donations	40 011
Income received in advance	958

13. Cash generated from operations

Loss before taxation	(236 888)
Adjustments for:	28 021
Depreciation and amortisation	
Changes in working capital:	(1 130 169)
Trade and other receivables	1 634 511
Trade and other payables	295 475

14. Related parties**Relationships**
Directors

MS Ratcliffe
J Momberg
JW Basson
Die Stellenbosse Wynroetes NPC

Company with mutual directors

Related party balances

Loan account - Owing to related party	1 930 871
Die Stellenbosse Wynroetes NPC	

15. Directors' remuneration**Executive****2020**

	Emoluments	Total
J Momberg	551 636	551 636

16. Comparative figures

No comparative figures have been presented as these are the first annual financial statements of the company.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

17. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. The company provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The directors have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Detailed Income Statement

Figures in Rand	Notes	2020
Revenue		
Commissions received		56 654
Funding received - Cape Winelands District Municipality		44 000
Funding received - The Municipality of Stellenbosch		2 528 511
Membership fees		133 587
SWR funding		320 000
Sale of merchandise		20 805
Stay funding		800 000
	8	3 903 557
Cost of sales	9	(26 809)
Gross profit		3 876 748
Other income		
Other income		1 760
Operating expenses		
Accounting fees		17 220
Advertising		701 216
Bank charges		11 049
Consumables		49 724
Depreciation and amortisation		28 021
Donations		97 415
Employee costs		2 067 491
Entertainment		81 720
Event expenses		450 000
General expenses		1 212
Insurance		16 606
Lease rentals on operating lease		124 369
Legal expenses		43 074
Office expenses		51 015
Printing and stationery		23 791
Professional fees - consulting		176 353
Professional fees - general		14 069
Project 1 - general expenses		13 689
Project 3 - general expenses		30 000
Repairs and maintenance		26 675
Security		28 395
Staff welfare		1 097
Telephone and fax		41 545
Training		370
Travel - local		19 280
		4 115 396
Loss before taxation		(236 888)
Taxation	12	(958)
Loss for the year		(237 846)

Visit Stellenbosch NPC

(Taxpayer reference number 9597737189)

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Tax Computation

Figures in Rand	2020
Net profit per detailed income statement	(236 888)
Permanent differences (Non-deductible/Non taxable items)	
Donations	97 415
Temporary differences	
Amounts received in advance - current year	142 896
Taxable income for 2020	3 423
Tax thereon @ 28% in the Rand	958
Reconciliation of tax balance	
Tax owing for the current year:	
Normal tax	
Per calculation	958
1st provisional payment	-
2nd provisional payment	-
Amount owing at the end of the year	958



VISIT STELLENBOSCH NPC
(Registration number 2019/304510/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Contents

The reports and statements set out below comprise the annual financial statements presented to the members:

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Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	17
Tax Computation	18

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Preparer

These annual financial statements were prepared by LDP Compliance Proprietary Limited.



Independent Auditor's Report

AUDIT | ADVISORY | TAX

To the members of Visit Stellenbosch NPC

Opinion

We have audited the financial statements of Visit Stellenbosch NPC (the company) set out on pages 6 to 16, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Visit Stellenbosch NPC as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa No. 71 of 2008, as amended and the supplementary information provided on pages 17 to 18, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



LDP Incorporated
Registered Auditor
J Goosen
Director

Stellenbosch

Date: 15/12/2020

10 Helderberg Street
Stellenbosch
7600

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 2 to 3.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the directors on 3 November 2020 and were signed on their behalf by:

MS Ratcliffe

J Memberg

JW Basson

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Visit Stellenbosch NPC for the year ended 30 June 2020.

1. Nature of business

Visit Stellenbosch NPC was incorporated in South Africa and is engaged in the marketing and development of tourism and visitor information services for Stellenbosch. The company operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended. The accounting policies have been applied consistently.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	Date of appointment
MS Ratcliffe	14 June 2019
J Momberg	14 June 2019
JW Basson	14 June 2019

4. Events after the reporting period

In December 2019, an outbreak of novel strain of coronavirus ("COVID-19") emerged globally. Although it is not possible to reliably estimate the length and severity of this outbreak and its financial impact, the company could be materially and possibly adversely affected by the risks, or the public perception of the risks, related to the recent outbreak of COVID-19. The current lockdown period, called by authorities, could further negatively impact the company's operations. The extent and the impact of COVID-19 on the company's operational and financial performance will depend on future developments including the duration and the spread of the outbreak.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. The company provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The directors have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

6. Auditors

LDP Incorporated was appointed as the auditors in accordance with section 90 of the Companies Act of South Africa No. 71 of 2008, as amended.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Notes	2020
Assets		
Non-Current Assets		
Property, plant and equipment	2	23 058
Intangible asset	3	53 871
		76 929
Current Assets		
Trade and other receivables	4	1 130 169
Cash and cash equivalents	5	2 121 396
		3 251 565
Total Assets		3 328 494
Equity and Liabilities		
Equity		
Accumulated loss		(237 846)
Liabilities		
Non-Current Liabilities		
Loan from group company	6	1 930 871
Current Liabilities		
Trade and other payables	7	1 634 511
Current tax payable		958
		1 635 469
Total Liabilities		3 566 340
Total Equity and Liabilities		3 328 494

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2020
Revenue	8	3 903 557
Cost of sales	9	(26 809)
Gross profit		3 876 748
Other income	10	1 760
Operating expenses		(4 115 396)
Operating loss	11	(236 888)
Loss before taxation		(236 888)
Taxation	12	(958)
Loss for the year		(237 846)
Other comprehensive income		-
Total comprehensive loss for the year		(237 846)

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Equity

Figures in Rand	Accumulated loss	Total equity
Loss for the year	(237 846)	(237 846)
Other comprehensive income	-	-
Total comprehensive loss for the year	(237 846)	(237 846)
Balance at 30 June 2020	(237 846)	(237 846)

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Statement of Cash Flows

Figures in Rand	Notes	2020
Cash flows from operating activities		
Cash generated from operations	13	295 475
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(34 950)
Purchase of intangible asset	3	(70 000)
Proceeds from loan from group company		1 930 871
Net cash from investing activities		1 825 921
Total cash movement for the year		2 121 396
Total cash at the end of the year	5	2 121 396

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa No. 71 of 2008, as amended. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight-line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Intangible asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible asset are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible asset, on a straight-line basis, as follows:

Item	Amortisation method	Average useful life
Website	Straight-line	3 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

A tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as liabilities.

Grants are measured at the fair value of the asset received or receivable.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020
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2. Property, plant and equipment

	2020	
	Cost	Accumulated Carrying value depreciation
IT equipment	34 950	(11 892) 23 058

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	-	34 950	(11 892)	23 058

3. Intangible asset

	2020	
	Cost	Accumulated Carrying value amortisation
Website	70 000	(16 129) 53 871

Reconciliation of intangible asset - 2020

	Opening balance	Additions	Amortisation	Closing balance
Website	-	70 000	(16 129)	53 871

4. Trade and other receivables

Trade receivables	1 026 375
Other receivables	103 794
	1 130 169

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 646
Bank balances	2 119 750
	2 121 396

6. Loan from group company**Other group company**

Die Stellenbosse Wynroetes NPC	1 930 871
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The unsecured loan bears interest as agreed upon by the parties from time to time and has no fixed terms of repayment. No capital repayments are required in the next 12 months.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020
7. Trade and other payables	
Income received in advance	142 896
Cape Winelands District Municipality - deferred funding	80 000
Stellenbosch Unite	1 200 000
Trade payables	112 411
Value-added taxation	99 204
	1 634 511
8. Revenue	
Commissions received	56 654
Funding received - Cape Winelands District Municipality	44 000
Funding received - The Municipality of Stellenbosch	2 528 511
Membership fees	133 587
SWR funding	320 000
Sale of merchandise	20 805
Stay funding	800 000
	3 903 557
9. Cost of sales	
Cost of merchandise sold	26 809
10. Other income	
Other income	1 760
11. Operating loss	
Operating loss for the year is stated after accounting for the following:	
Operating lease charges	
Premises	
• Contractual amounts	124 369
Amortisation on intangible assets	16 129
Depreciation on property, plant and equipment	11 892
Employee costs	2 067 491

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020
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12. Taxation**Major components of the tax expense**

Current taxation	958
South African normal tax - year	

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(236 888)
Tax at the applicable tax rate of 28% (2019: 28%)	(66 329)
Tax effect of adjustments on taxable income	27 276
Donations	40 011
Income received in advance	958

13. Cash generated from operations

Loss before taxation	(236 888)
Adjustments for:	28 021
Depreciation and amortisation	
Changes in working capital:	(1 130 169)
Trade and other receivables	1 634 511
Trade and other payables	295 475

14. Related parties**Relationships**

Directors

MS Ratcliffe

J Momberg

JW Basson

Die Stellenbosse Wynroetes NPC

Company with mutual directors

Related party balances

Loan account - Owing to related party
Die Stellenbosse Wynroetes NPC

1 930 871

15. Directors' remuneration**Executive****2020**

	Emoluments	Total
J Momberg	551 636	551 636

16. Comparative figures

No comparative figures have been presented as these are the first annual financial statements of the company.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

17. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The coronavirus ("COVID-19") pandemic started to break out globally in December 2019. In a short period of time, it had a significant impact on the operation of businesses in certain provinces, cities and certain industries, as well as the overall economic situation. The impact is dependent on the situation and duration of the fight against the pandemic, the implementation of various regulatory policies and other factors. The company provides an essential service through funding obtained from local government, corporate and private sources. It has procured enough funding at year end to continue its operations for the next 12 months. The directors have implemented additional cost cutting measures where appropriate and will continue to monitor the impact of COVID-19 on its operations going forward.

Visit Stellenbosch NPC

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Detailed Income Statement

Figures in Rand	Notes	2020
Revenue		
Commissions received		56 654
Funding received - Cape Winelands District Municipality		44 000
Funding received - The Municipality of Stellenbosch		2 528 511
Membership fees		133 587
SWR funding		320 000
Sale of merchandise		20 805
Stay funding		800 000
	8	3 903 557
Cost of sales	9	(26 809)
Gross profit		3 876 748
Other income		
Other income		1 760
Operating expenses		
Accounting fees		17 220
Advertising		701 216
Bank charges		11 049
Consumables		49 724
Depreciation and amortisation		28 021
Donations		97 415
Employee costs		2 067 491
Entertainment		81 720
Event expenses		450 000
General expenses		1 212
Insurance		16 606
Lease rentals on operating lease		124 369
Legal expenses		43 074
Office expenses		51 015
Printing and stationery		23 791
Professional fees - consulting		176 353
Professional fees - general		14 069
Project 1 - general expenses		13 689
Project 3 - general expenses		30 000
Repairs and maintenance		26 675
Security		28 395
Staff welfare		1 097
Telephone and fax		41 545
Training		370
Travel - local		19 280
		4 115 396
Loss before taxation		(236 888)
Taxation	12	(958)
Loss for the year		(237 846)

Visit Stellenbosch NPC

(Taxpayer reference number 9597737189)

(Registration number: 2019/304510/08)

Annual Financial Statements for the year ended 30 June 2020

Tax Computation

Figures in Rand	2020
Net profit per detailed income statement	(236 888)
Permanent differences (Non-deductible/Non taxable items)	
Donations	97 415
Temporary differences	
Amounts received in advance - current year	142 896
Taxable income for 2020	3 423
Tax thereon @ 28% in the Rand	958
Reconciliation of tax balance	
Tax owing for the current year:	
Normal tax	
Per calculation	958
1st provisional payment	-
2nd provisional payment	-
Amount owing at the end of the year	958



A DYNAMIC DESTINATION
MARKETING APPROACH
FOR STELLENBOSCH

2021/2022

Strategic Business Plan 2021/2022

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VISIT STELLENBOSCH

About

Visit Stellenbosch, the official DMO for Stellenbosch, **connects all tourism sectors and socio-economic initiatives** to create a compelling and unique place experience for locals and visitors throughout the year.

Centralising the operational functions and resources of Stellenbosch stakeholders in wine, tourism, food, accommodation, experiences, and business among other sectors, Visit Stellenbosch's long-term tourism plan is aimed at improving service excellence, driving socio economic growth and opportunities, promoting tourism innovation and enhancing the place experience for locals and visitors alike.

At the heart of this lies a determined, focus on tourism-led social solutions, specifically in terms of job creation, skills improvement and enterprise development.

Visit Stellenbosch is committed to bringing about **sustainable and measurable economic progress through tourism**. An enlarged and accelerated tourism sector will support more enterprises and subsequently more employment and trade opportunities.

Our goal is to create 5 000 new jobs in the tourism and experience economy in Stellenbosch in the next 5 years. This can be achieved, not only by inspiring visitors to stay longer, do more and visit us again, but also to drive a targeted and focussed effort on social and entrepreneurial improving for all in our extended communities.

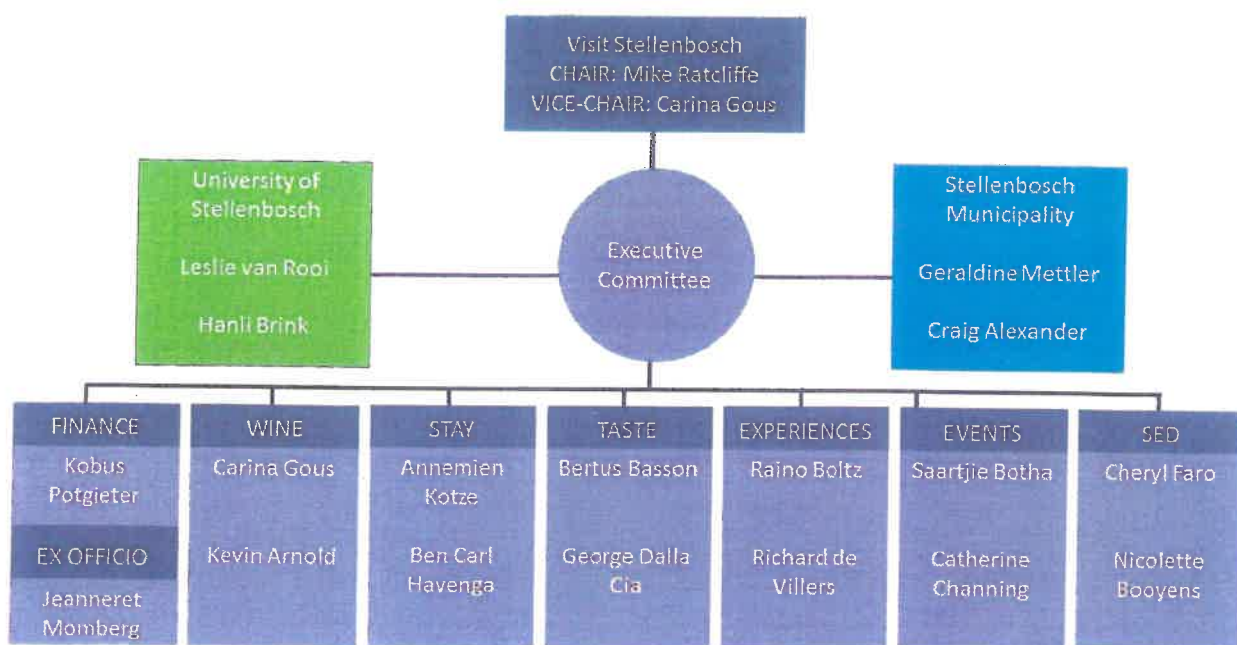
Visit Stellenbosch implemented a long-term destination strategy to maximise the tourism potential with concrete and realistic metrics/milestones for monitoring and evaluation over time. These measures-of-success / KPIs (for sectors, stakeholders, residents and visitors) will guide the effective planning of programmes and activities to ensure that we meaningfully invest resources for maximum impact.



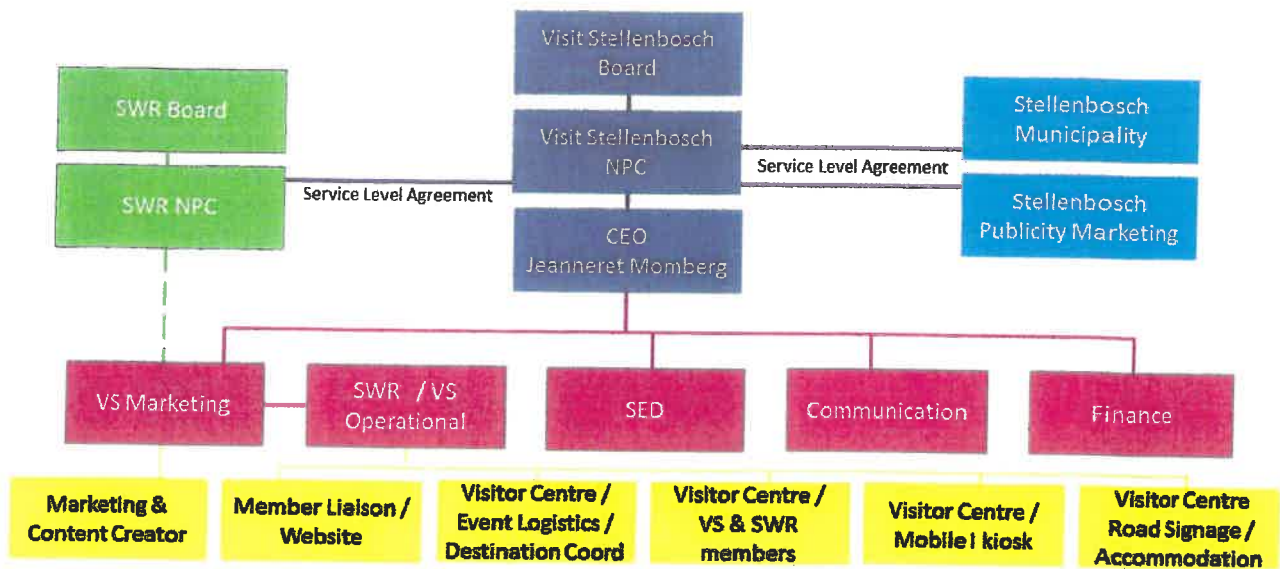
Corporate Governance and Institutional Development

Visit Stellenbosch has a healthy financial cash flow status and is overseen by a financial committee represented on the board. The board of directors represents each sector as well as our two strategic partners, Stellenbosch Municipality and Stellenbosch University. Board meetings are held quarterly and monthly Management Reports are circulated to the board.

Visit Stellenbosch Board Structure



Stellenbosch is a diverse, authentic destination, which exudes tangible warmth and generosity, and is driven by to ensure sustainable growth and benefits to all communities.



Visit Stellenbosch meaningfully invests resources with board approval, supporting thriving projects which are enabling productive team dynamics.

Visit Stellenbosch adheres to all labour and operational requirements and will continually review and enhance HR policies.

Visit Stellenbosch continues to deliver industry orientation and service excellence training through reputable service providers for the skills development programmes we promote.

Visit Stellenbosch continues to work with educational institutions by providing opportunities for their students to do either job shadowing or in-service training.

Our Vision for Stellenbosch

Visit Stellenbosch is establishing a destination marketing function and brand that encompasses all aspects of the tourism economy in Stellenbosch.

This brand goes beyond our history and scenery and captures the energy and soul of Stellenbosch – a place where people come to discover, learn, create, start up, launch and bring into being.

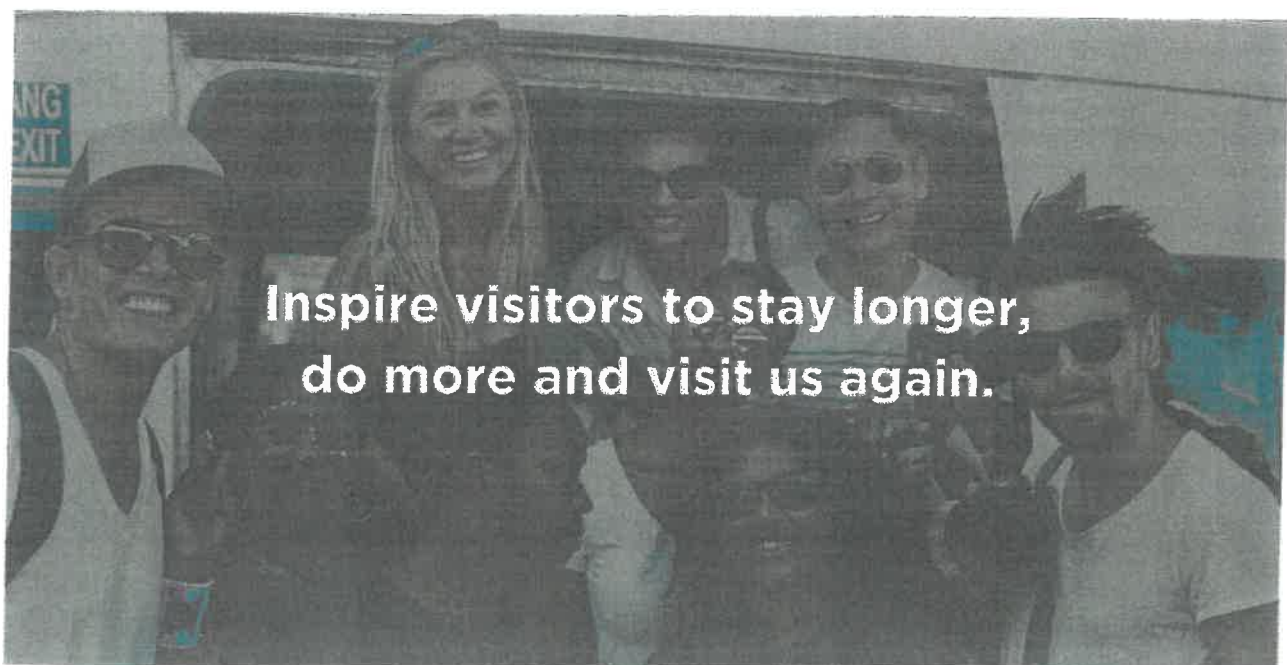
Visit Stellenbosch embraces this spirit of advancement by creating shareable moments for locals and visitors, representative of a town that celebrates its past, but is also passionate about its future as a dynamic, youthful hub of innovation.

Our aim is to create 5 000 new jobs in the tourism and experience economy in Stellenbosch in the next 5 years by inspiring visitors to stay longer, do more and visit us again.

Visit Stellenbosch aims to find ways to connect, equip, empower and include community based, previously disadvantaged and currently marginalised individuals and enterprises in the tourism economic stream, that we are endeavouring to widen. Our tourism-led solutions create opportunities for all our communities to thrive and prosper.

VISION: To create
5 000 new jobs in the
tourism and
experience economy
in Stellenbosch in the
next 5 years

Mission



Brand Positioning Statement

Stellenbosch is a vibrant, university town, surrounded by majestic mountains, that offers a rich history with wine, culture and outdoor experiences that inspire and exceeds expectations to local and international, discerning consumers.

Mandate

The mandate for Visit Stellenbosch remains the implementation of an integrated, strategic marketing plan focussing on sustainable and scalable solutions aligned with National, Provincial and Municipal tourism policies. Our aim is to mobilise all available resources with one goal: marketing brand Stellenbosch and growing the tourism economy for all.

In the current cycle and for Q1 and Q2 of the new financial year, the mandate still is to implement a Tourism Recovery Programme. The programme will assist, support, restart and reimagining the tourism economy across all related sectors affected by the adverse economic impact of COVID-19.

In this regard, Visit Stellenbosch will act as the conduit that connects, supports and nurtures the establishment of a comprehensive destination strategy to:

- Lead the Recovery Programme of the Tourism Economy of Stellenbosch;
- Support all Tourism Sectors in the Restart and Reimagine Stages, post COVID-19;
- Maintain and promote an events and experiences calendar, including virtual or smaller events in line with prescribed regulations;
- Facilitate strategic alignment of stakeholders;
- Ensure the efficient utilisation of resources in order to deliver against the expanded tourism strategy.
- Continue to co-ordinate and assist with Emergency Food Relief Programme (Stellenbosch Unite) when applicable;
- Influence local tourists' behaviour;
- Attract more return visitors;
- Encourage visitors to stay longer;
- Manage excellent Visitor Information Centre.

Alignment with the Strategic Objectives of Stellenbosch Municipality

Visit Stellenbosch aligns itself with the Municipality's drive for dynamic, efficient, accountable and quality service delivery, underpinned by a passion for excellence, innovation and good governance. Our organisation is committed to making a positive impact, harnessing tourism's benefits to achieving sustainable development goals, and stimulate job creation to improve the quality of life in Stellenbosch for all its citizens.

Stellenbosch requires a specialised and nimble destination marketing function to deliver on its socio-economic development plan, and the tourism marketing and experience economy on behalf of the Stellenbosch Municipality in a focused and dynamic manner.

While Visit Stellenbosch supports and encourages the tourism development agenda, we believe that we will bring about greater impact when we concentrate our efforts on tourism marketing and visitor services delivery to drive awareness and demand for Stellenbosch. If we can attract more visitors to Stellenbosch, we can increase spend and positively impact on the lives of people sustained by the tourism sector, whilst growing further job opportunities through tourism.

We ensure that the tourism marketing strategy is aligned with the Local Economic Development Strategy objectives and in particular, work with the Stellenbosch Municipality to improve the dispersal of visitors across Stellenbosch, beyond the traditional tourism sites to include townships and lesser-known areas.

Visit Stellenbosch collaborate with industry stakeholders to design a robust and deliberate plan for entrepreneurs in tourism, services and manufacturing in a drive to kickstart sectoral economies. We work with local communities to unlock the unique selling points and stories of the different clusters and niche sectors in the greater Stellenbosch and package these experiences in an attractive way that will encourage visitors to explore Stellenbosch beyond the obvious and well-established tourism routes.

Building a demand for alternative tourism experiences in Stellenbosch must be a priority and is the forerunner to continued and sustainable tourism development. If tourism development happens in isolation of marketing and if there is not a demand for the more unique and new experiences, tourism businesses in township areas will never become sustainable.



SOCIO ECONOMIC DEVELOPMENT

- Training and Development
- Emerging Enterprise Support
- Product Readiness Support
- Volunteering and Mentorship
- Market Access
- Creating Demand

Strategic Relations

Partnerships and collaboration are essential to ensure that opportunities and resources are maximised. Visit Stellenbosch's strategic partners include:

- Regional and Local Tourism Organisations
- SA Tourism (and their country offices worldwide)
- Wesgro (Western Cape Destination Marketing, Investment and Trade Promotion Agency)
- Western Cape Department of Economic Development and Tourism (DEDAT)
- WOSA (Wines of South Africa)
- Vinpro (Industry association driving Wine Tourism)
- SA embassies
- Cape Winelands District Municipality
- SATSA (Inbound Tourism Industry Body)
- Fedhasa (Federated Hospitality Association of SA)
- Sporting / Service Clubs & community organisations
- Stellenbosch University and other Tertiary Institutions
- Business Chambers
- Event/Festival organisers
- Property developers, investors
- Media
- Stellenbosch Network
- Stellenbosch Unite

Dwarsrivier Tourism

Visit Stellenbosch has been appointed to assist with the management and marketing of the destination. Visit Stellenbosch has a strong and proven reputation for connecting all tourism sectors and socio-economic initiatives to create a compelling and unique place experience for locals and visitors throughout the year. Dwarsrivier will be developed, assisted and supported to organise and grow their tourism sector for the economic benefit of all the Dwarsrivier communities. They will keep their distinct Dwarsrivier personality but the products will be market ready and tell the stories of the Dwarsrivier and its people.

Effective Tourism Marketing

Visit Stellenbosch broke away from traditional destination marketing, taking Stellenbosch into a new era with innovative, cost-effective marketing done in partnership between the private and public sectors.

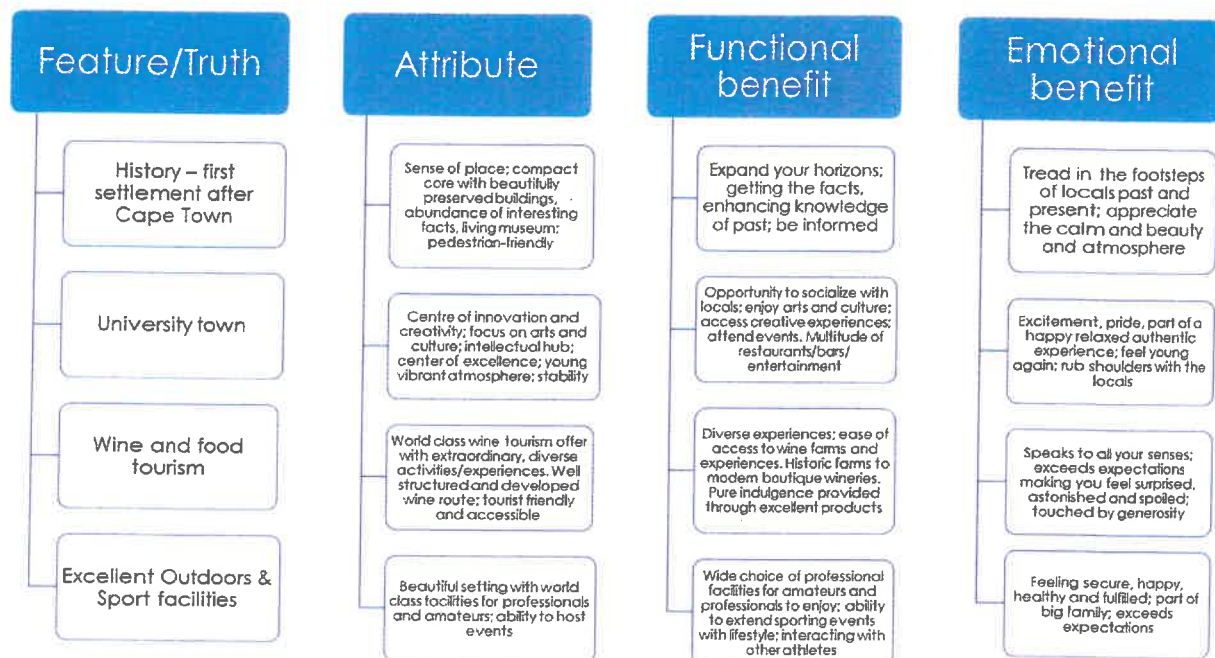
Visit Stellenbosch place local visitors and travellers at the centre of the stories we share with the world to inspire them to visit us. We transformed the way we deal with visitor information, taking information to the visitor through the use of technology and digital communication.

Stellenbosch's proximity to Cape Town provides us with the opportunity to collaborate with the tourism role players in Cape Town, Stellenbosch is also the perfect hub from where to explore the surrounding Cape Winelands.

Effective tourism marketing of a destination like Stellenbosch will not only result in more visitors, but more investment, more sustainable jobs and ultimately a better place to live for all the people of Stellenbosch.



Visit Stellenbosch Brand Essence

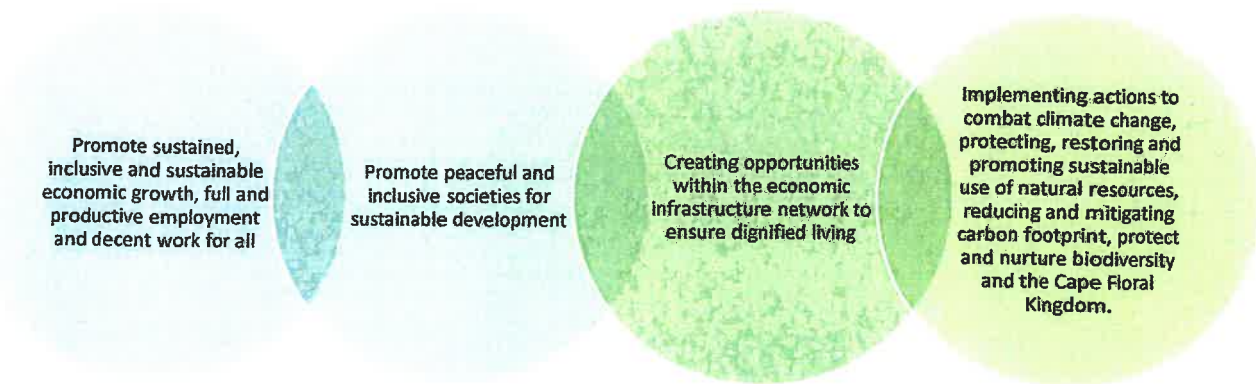


VISIT STELLENBOSCH: STRATEGIC PLAN

This strategic plan is a “living document” and has been developed to Visit Stellenbosch’s integrated programme of work initiated in June 2019.

The strategic plan does not stand in isolation and various national, provincial, regional and local legislations, policies, and plans were analysed and considered in drafting and implementing the strategy.

The plan is **aligned with the strategic objectives of the Stellenbosch Municipality**, reinforcing the vision of positioning Stellenbosch as Innovation Capital of South Africa.



Strategic Objectives

The high-level vision for tourism and socio-economic growth in Stellenbosch provides the focus and framework of the following strategic objectives for Visit Stellenbosch's work:

- Support stakeholders under a joint destination banner and produce a long-term strategy with concrete and realistic metrics and milestones.
- To activate a broad and inclusive stakeholder network towards the implementation of our SED strategy (ANNEXURE B).
- To continue to support and participate in the inclusive co-creation of our future destination where people are the focal point and our marketing strategy is anchored in social development. A future where locals and visitors must not only co-exist but interact around shared experiences. To integrate our commitment to Socio Economic Development into all aspects of the Visit Stellenbosch operational processes and marketing services.
- To implement plans and campaigns, generating value for the tourism economy all-year-round.
- To improve every touchpoint of the customer journey and help locals and visitors to have an experience worth travelling for and raving about.
- To enhance the national and international image and awareness of Stellenbosch as an innovation hub and an outstanding place to visit and live.
- To bring about opportunities by growing the total value of the tourism sector in Stellenbosch and creating more economic opportunities.
- To offer product development, marketing and trade development support to community-based tourism entrepreneurs through our SED partnerships.
- To provide direct employment access for youth by connecting employers with our partner training colleges, advancing employer led training and offering ongoing on-the-job development for youth employees.
- To actively pursue social cohesion across the greater Stellenbosch region through the establishment of annual heritage festivals and events, that promote inter-cultural communication, commercial opportunities and a spirit of solidarity.
- To develop, support and grow the Dwarsrivier Tourism (ANNEXURE C) sector, aligned with SED principles, driving social cohesion and integrating the regions' personality and offerings with the greater Visit Stellenbosch tourism destination.

Strategic Priorities

To fulfil these objectives, Visit Stellenbosch has identified five strategic priorities that are the focus of the business plan:

Co-create an Inclusive Future

Visit Stellenbosch supports the inclusive co-creation of our destination and have adopted an SED strategy (ANNEXURE B) aimed at the socio-economic development of traditional Stellenbosch communities through engagement in the tourism sector.

The areas of impact include skills training and employment, tourism enterprise development and localised ownership, giving representation to all Stellenbosch communities, economic inclusion of all communities and finally, the development of social integration and cohesion.

Define Success for Stellenbosch as a Place Brand

As a destination, Stellenbosch will extract more value from the visitors, already visiting our region. Our offering will inspire them to stay longer, do more and visit us again. Visit Stellenbosch supports the common goals and principles that unite stakeholders and produce a long-term destination strategy with concrete and realistic metrics/milestones for monitoring and evaluation over time.

Create a Loyal Local Following

Visit Stellenbosch are pulling the buying power of locals to support community and small businesses across the tourism sector. Visit Stellenbosch inspires a culture of solidarity, community and unity through its Support Stellenbosch platform and specific campaigns, such as Stay & Play Stellenbosch, I am a Boscher and Things you didn't know – rediscovery campaign.

Improve the Place Product Offering and Visitor Experience

Individual experiences impact a visitor's brand perception. By investing more in improving our products through mentorship, education and sharing of resources, we will help to tell the right stories to the right people who will share them with the world.

Stakeholders seek to improve all touchpoints of the customer journey and help residents and visitors have an experience worth travelling for and be enthusiastic about.

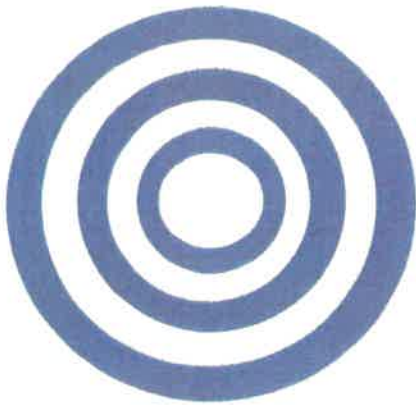
Unifying Marketing Strategy & Integrated Communications

Visit Stellenbosch adopted a communication strategy (ANNEXURE A) that creates a unifying destination brand with which all stakeholders can engage, and which successfully translates the destination's value proposition vs its competitors.

Together we position Stellenbosch as a preferred Tourism Destination that leverages on our strong brand recognition as a leading wine tourism region. Capitalising on its youthful, innovative spirit of Stellenbosch – a juxtaposition of the existing reputation that Stellenbosch has as an historic destination. Goodbye 'City of Oaks', hello 'Forever Young'.

The plan further reflects Stellenbosch's strong hook of 'food and wine', but not at the expense of the destination's other brand assets – heritage, university, sport, innovation, business, adventure, art & culture, and design.

Marketing Goals



Mitigate COVID-19 lockdown impact



Increase brand awareness among chosen segments and source markets



Improve seasonality



Stellenbosch beyond the half-day visit



Align and leverage collective marketing for benefit of Destination Stellenbosch

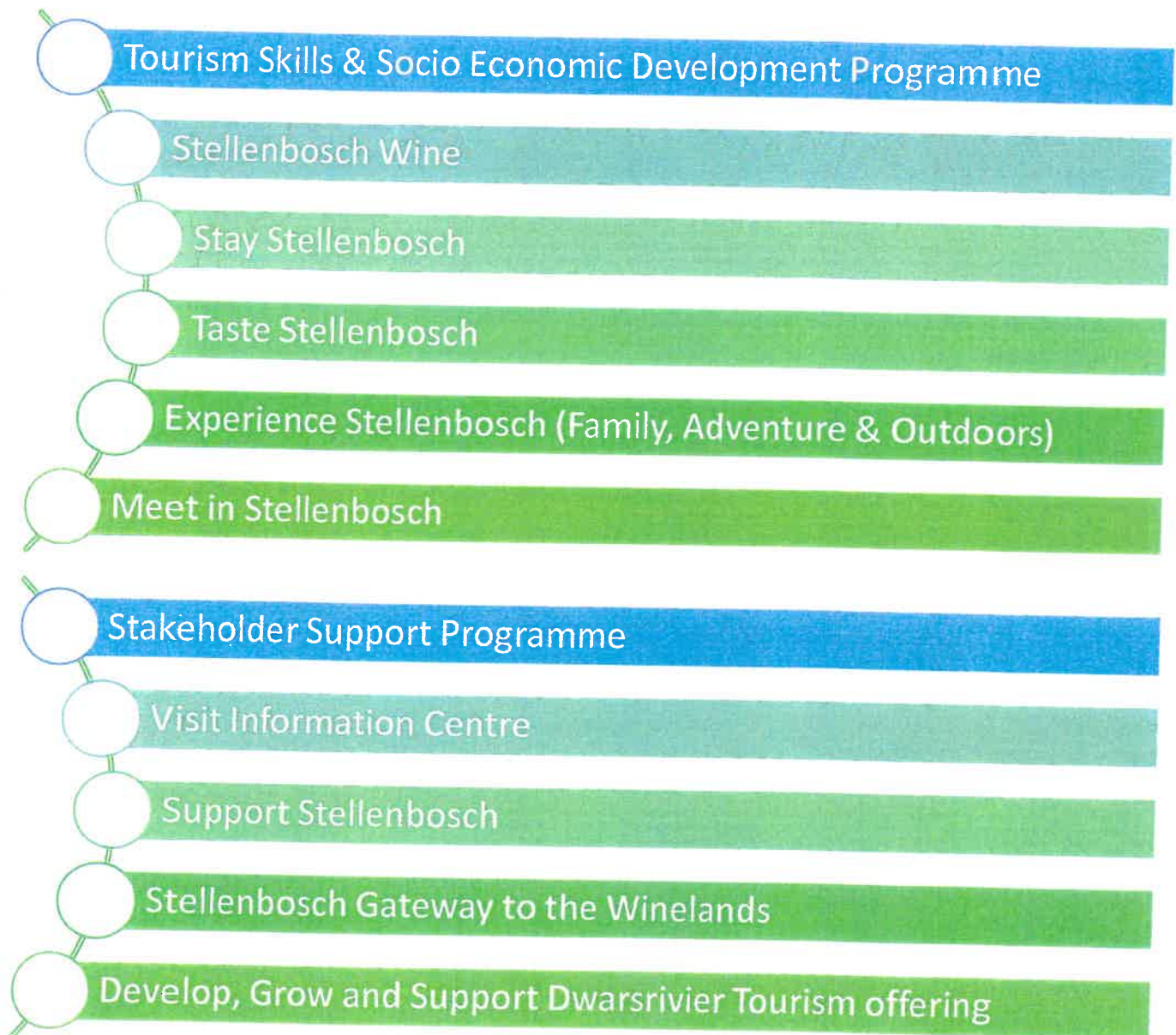


Make it easier and more attractive for audience to access the destination

Strategic Programmes

To deliver these priorities, Visit Stellenbosch will focus on the following 10 key programmes on top of a far-reaching Stakeholder Alignment Programme over the next 3 years:

Key Strategic Programmes



Once the Provincial and Municipal tourism strategies are finalised, these programmes will be re-evaluated to ensure optimal alignment and impact.

VISIT STELLENBOSCH STRATEGIC PROGRAMMES

Socio Economic Projects

SOCIO ECONOMIC DEVELOPMENT PROGRAMMES (ANNEXURE B)			
PROJECT	PERFORMANCE TARGETS	TIME LINE	BUDGET
Youth training and employment development in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	Implement the newly created employment website in conjunction with participating colleges.	July to Sept 2021	R 30,000
	Complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report	July to Dec 2021	R 20,000
	Offer support to participating colleges in the further development of their employability training offerings	July 2021 – June 2022	R 90,000
	Promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	July 2021 – June 2022	R 60,000
SUB TOTAL			R 200,000
Trade and enterprise development for emerging community-bases tourism service providers/entrepreneurs. Actively develop tourism products and gain market access for participating service providers/entrepreneur	Completion of market readiness development of 14 products/service providers	July – Dec 2021	R 70,000
	Identify and develop 2 additional community-based products within our marketing niche	July 2021 – June 2022	R 40,000
	Completion of production of professional marketing collateral for 16 products	July 2021 – Dec 2022	R 140,000
	Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products	July 2021 – June 2022	R 300,000

	Initiate a direct sales service to procure group and event bookings	July 2021 – June 2022	R 200,000
	Establish a satellite VS office focused on niche product sales	Jan – July 2022	R 60,000
	Offer a tourism focussed training programme for participating service providers and their staff	June 2021 – July 2022	R 60,000
	Offer ongoing business support to participating service providers	June 2021 – July 2022	R 30,000
SUB TOTAL			R 900,000
TOTAL SED			R 1,100,000

Events and Projects

EVENTS: WINE TOWN STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Wine Town Stellenbosch will coordinate a programme of events both across the Stellenbosch CBD as well as winelands. The content will showcase innovation and leadership of the Stellenbosch wine industry through a series of smaller events and affirm the message that Stellenbosch	Coordinate a programme including sporting events, big bottle party, Braaibroodjie competition and a selection of daily events organised by various industry partners, members of the Stellenbosch Wine Routes, and the restaurant sector to create demand over a focussed 10-day period.	June – Aug 2021	R 50,000
	Stellenbosch Fine Wine and Food Showcase: an upmarket activation specifically showcasing the best of Stellenbosch wines with the best of Stellenbosch dining. The event will cater for an intimate audience in a modern (anti-covid) format	Aug 2021	R 150,000

is the wine (wine tourism) capital of South Africa.	Extensive marketing and communication plan, position Wine Town Stellenbosch as the annual must-do event. This year targeting wine loving / lifestyle niche audiences across the country and preparing the foundation to promote this globally in the years to come.	June – Aug 2021	R 20,000
SUB TOTAL			R 220,000

EVENTS: STELLENBOSCH STREET SOIREE AND OTHER EVENTS			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Events have the potential to attract high-value tourism. They provide opportunities for marketing, employment and promotion of products and services. The close links and benefits between events and tourism are clear to see so Stellenbosch Wine Routes are hosting various events to create economic opportunities and remain visible as a destination brand and drive the wine tourism narrative.	Stellenbosch Street Soirees: bi-weekly, pop-up wine festivals held during the summer months earning a lot of publicity, create economic opportunities for wine farms, provide jobs and stimulate the restaurant industry.	Oct 2021 – March 2022	R 50,000
	Woordfees activations: Annually, the Stellenbosch Wine Routes collaborate with the Woordfees to offer a range of events during the festival. These events include a Street Soiree, Wynskool (wine edutainment at is best – local personality leads a panel of winemakers to discover everything wine) and the tasting safari benefits a range of restaurants when passport holders hops between different restaurants to taste wine paired with a snack.	Sept 2021 (await Woordfees date confirmation)	R 50,000
	Harvest Parade: Annual parade celebrating the upcoming harvest and the contributions made by agri workers. The event culminates in a craft expo where agri workers and community entrepreneurs sell hand-made goods and pantry items.	Jan – Feb 2022	R 100,000
SUB TOTAL			R 200,000

EVENT: GARDEN WEEK STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Linked to the established national activation Garden Day, Stellenbosch will coordinate a programme of events under Garden Week Stellenbosch, enabling visitors to celebrate the beautiful public and private gardens and parks and drive interest / demand for overnight stays paired with programme events and dining in Stellenbosch. The event will aim to drive social cohesion and include all the communities of Stellenbosch	Coordinate a 10-day programme of Garden Tours, Open Gardens, Activations in the CBD and Speakers Programme. Design a map and microsite to support the programme.	Sep – Oct 2021	R 50,000
	Schools Programme: Invite all schools across the Stellenbosch District to introduce an educational element to Garden Week. Roll out a small growing project (micro greens) accessible to all.	Sept 2021	R 20,000
	Package Stellenbosch: Create packages with accommodation, meals and activities from the programme to make it easy for visitors to stay over and experience Stellenbosch (stay longer, do more).	Sept – October 2021	
	Community teas: On 17 October with Garden Day, several dorpiess will host a tea for community groups	October 2021	R 10,000
	Extensive Marketing programme: Press releases, social media, digital campaigns, Influencer engagement, etc.	Aug – October 2021	R 20,000
SUB TOTAL			R 100,000

PROJECT: STAY IN STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Increase over-night stays in Stellenbosch during off-peak periods.	Stay Stellenbosch Campaign: Dedicated digital campaign to encourage overnight stays. Packaging Stellenbosch, making it easier for visitors to stay longer and do more.	Ongoing 2021 / 2022	R 50,000
	Increased and accelerated hosting of inbound tour operators. In order to promote Stellenbosch, it is crucial to host inbound tour operators to inbound operators. Invite groups of operators, to experience Stellenbosch educational style to understand how they can sell Stellenbosch to their groups and clients.	Ongoing 2021 / 2022	R 70,000
SUB TOTAL			R 120,000

PROJECT: TASTE STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Promote and position Stellenbosch as the leading culinary destination in South Africa. More than 200 restaurants to choose from, in the town and surrounding areas to enjoy anything from a hearty feast to a fine-dining culinary experience or simply to enjoy a hot cup of coffee. The wineries in Stellenbosch are famed for their hospitality, and many have restaurants and bistros onsite to get the full winery experience	Restaurant Month: create top of mind awareness and maximise support and interest for the Taste Stellenbosch Restaurant Month and its related activities. Maximise exposure prior to, during and after the month-long event in print, radio, TV and electronic media (including blogs) to ensure good support and awareness of the Stellenbosch Restaurant Month; the wine route as one of the country's finest wine and food destinations; the participating restaurants (highlighting the diversity and quality), and the chefs.	July 2021	R 80,000
	Support Stellenbosch: An annual restaurant rewards scheme to stimulate the circular economy, and boosting the restaurant sector when most needed. Update infrastructure, websites, collateral, etc	July to Oct 2021	R20,000
SUB TOTAL			R 100,000

EXPERIENCE STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Make Stellenbosch the destination of choice for sport, adventure and outdoor enthusiasts. Research shows that visitors and tourists prefer outdoor activities in wide open spaces. Stellenbosch has this in abundance, it's a great USP and an activity available throughout the year.	Digital campaign to position Jonkershoek as a 2 nd tier destination to Table Mountain National Park. Stellenbosch is an outdoor lover's paradise with more than 500km of mountain bike trails, running trails and hiking trails.	Ongoing 2021 /2022	R 80,000
	Unite the various cycling initiatives and organisations under an umbrella body to promote cycling activities and events in and around town Develop an easy-to-use cycling and hiking map for the entire area.	Ongoing 2021 /2022	R 80,000
SUB TOTAL			R 160,000

MEET IN STELLENBOSCH			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Capitalise on 2 nd tier status to Cape Town for MICE and increase to top 5 in Africa in ICCA ranking.	Host Business Tourism Showcase reintroducing Stellenbosch as a Business Tourism Destination. Invite PCO's and service providers to a 2-day educational introducing all the facilities Stellenbosch has to offer including accommodation, restaurants, venues, etc. Including a speaking programme.	Feb 2022	R 150,000
	Host shoulder events to main tourism events in Cape Town & Durban (e.g. WTM and Indaba) where applicable. Capitalise on media, operators, corporates, etc which will be in the area and invite them to promotional experiences in Stellenbosch.	TBC – identify opportunities	R 50,000
SUB TOTAL			R 200,000
TOTAL PROJECTS			R 1,090,000

Visit Stellenbosch Visitor Centre

STELLENBOSCH VISITOR INFORMATION CENTRE			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	<p>Operate a visitor centre 362 days of the year: The Visitor services centre provide information and aid to any current or potential tourists within a destination and its surrounding areas.</p> <p>The centre acts as the main point of contact for tourists' travel planning inquiries, as well as a place where local businesses and travel agencies can go to promote their products and services.</p> <p>The visitors centre is staffed by four Visitor Information Liaison, all upskilled to provide additional admin and event support.</p> <p>The visitor centre collects key data (visitor numbers, requirements, destination of origin, etc)</p> <p>Shared operational costs including premises, telephone, internet, cleaning, security, etc.</p>	Jul 2021 – June 2022	R 1,500,000
	<p>High-Level international marketing campaign to promote Stellenbosch to key source markets, including Germany, UK, USA, etc.</p> <p>Develop messaging and collateral, including video and photography elements for different target audiences, rolled out on digital platforms; market access opportunities, tour operator and trade show activations.</p>	Jul 2021 – June 2022	R 500,000
TOTAL VISITOR CENTRE			R 2,000,000

DWARSRIVIER PROJECTS / VISITOR CENTRE

DWARSRIVIER TOURISM RESEARCH, BRAND DEVELOPMENT AND MARKETING/COMMUNICATION STRATEGY			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	In order to develop a Destination brand and strategy extensive research must be completed with the regards the resources, products and service providers. Secondary research must be done to understand the source markets and visitor personas to develop an effective marketing plan. Research will determine what products and skills are available and to what extent these can be packaged or alternatively require training, development or market readiness assistance.	Jul 2021 – Sept 2021	R 50,000
	Compile a full Brand DNA report including mission, vision, objectives, goals, define audiences, target markets, brand personality, tone of voice, ambitions, etc. Develop all brand elements and assets in a toolkit, include logo, taglines, key messaging, imagery, etc. Refresh a website and implement a website marketing strategy, etc. Refresh social media channels and drive presence.	Sept 2021	R 100,000
TOTAL RESEARCH AND DEVELOPMENT			R 150,000

Dwarsrivier: Information Centre

DWARSRIVIER INFORMATION CENTRE			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	<p>Operate a visitor centre: The Visitor services centre provide information and aid to any current or potential tourists within a destination and its surrounding areas.</p> <p>The centre acts as the main point of contact for tourists' travel planning inquiries, as well as a place where local businesses and travel agencies can go to promote their products and services.</p> <p>The visitors centre is staffed by a Visitor Information Liaison, all upskilled to provide additional admin and event support.</p> <p>The visitor centre collects key data (visitor numbers, requirements, destination of origin, etc)</p> <p>Shared operational costs including telephone, internet, cleaning, security, etc.</p>	Jul 2021 – June 2022	R 200,000
	Marketing: invest in marketing opportunities, printed and digital collateral to support the promotion of Destination Dwarsrivier	Sept 2021 – June 2022	R 100,000
TOTAL VISITOR CENTRE			R 300,000

Dwarsrivier: Projects – Garden Week & Other Events

EVENT: GARDEN WEEK			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Linking in with garden day and Garden Week Stellenbosch, Dwarsrivier plans to activate on various fronts. Using events to create economic	Garden Tours: Assist and support private gardeners to get their gardens ready to be included in the Private Garden Tours, signage, collateral, maps, admin and logistical assistance.	Aug – Oct 2021	R 10,000

opportunities and showcase the treasures of the valley.	Programme and workshops: Offer a speaking programme and several showcases such a chrysanthemum growing workshop, open garden at Johannesburg and other well-known gardens in the area.		R 20,000
	Community social cohesion: Activate several celebratory events, celebrating gardening on 17 September. Invite members of the communities and general public to attend an event to share cultures and experiences and customs.	Aug – Oct 2021	R 20,000
SUB TOTAL			R 50,000
EVENT: OTHER EVENTS			
AIM / OBJECTIVE	PERFORMANCE TARGETS	TIMELINE	BUDGET
Use events to drive positioning, economic opportunities and destination visibility for Dwarsrivier.	Adam Small Festival: A celebration of Small's contribution to Afrikaans; paying tribute to the life and times of Adam Small and celebrating Small's contribution to Afrikaans by various poets, writers and more. Event logistics and collateral, marketing, photography, speakers programme	Jan 2022 – Feb 2022	R33,000
	Chrysanthemum Festival: An highlight on the Dwarsrivier calendar - young and old, should attend the Chrysanthemum Exhibition held at the Pniel Tea Garden and Museum. The day includes the exhibition and selling of the beautiful chrysanthemums, info sessions and delicious home-made treats for sale. Event logistics and collateral, marketing, photography, speakers programme.	April – May 2022	R 34,000

	Slawedag / Slaveday: Every first of December annually the community of Pniel in the Dwarsrivier Valley, commemorates the Freedom of the Slaves. Event logistics and collateral, marketing, photography, speakers programme.	November – December 2021	R33,000
SUB TOTAL			R 100,000
Total Dwarsrivier Projects			R150,000

BUDGETS AND RESOURCES

Sources of Income

The following are the anticipated trends and assumptions in Visit Stellenbosch's main sources of income which form the basis for the budget projections.

Grants and Donations

- Stellenbosch Municipality operational grant funding of R 4,790,000 in 2021/2022 is required, thereafter the grant funding should be sustained and increased for expansion.
- Visit Stellenbosch will on an ongoing basis engage various for-good organisation, foundations and corporates to fund the growth and success of the organisation. It is estimated that the value of donations received form for 2021/2022 will total R 250,000.
- Cape Winelands District Municipality (grants) ringfenced for specific projects and not part of operation income/expenditure of R 250,000 for Stellenbosch and R250,000 for Dwarsrivier

Marketing Sponsorships

- Project sponsorships are actively being sought. Covid-19 legislation will determine whether events are permitted. Sponsorships are sought on event or project basis.

Members

- The total income from Wine Tourism Membership for 2021/2022 is estimated to be R 1,000,000.
- Income from **other members** (accommodation, restaurants, local business etc) is estimated to reach R 250,000
- R 800,000 Contribution form SPM (Stellenbosch Publicity Marketing)

Commercial Activities

Unfortunately, the scope for income from commercial activities is extremely weak in the 2021/2022 financial year.

Total Estimated Income For 2021/2022: **R7,590,000**

Commercial Income Development:

Although the following areas of activity seem to have the greatest potential for substantial growth in income for Visit Stellenbosch, it is highly unlikely in the 21/22 year due to the impact of COVID-19:

- Increased membership participation in product programmes
- Event packaging
- Website Sales (commission, packages, deals, events)
- Stellenbosch specific merchandising and retail
- Commercial marketing partners

Budget Overview

The budget in this proposal reflects the 3-year budget and seed-funding requirement from Stellenbosch Municipality to execute and implement the 10 key programmes which will support the delivery of the key priorities and objectives of the integrated destination marketing plan for Visit Stellenbosch.

PROJECTED INCOME

2021/2022

Municipal Seed Funding / Grant	R	4,190.000,00
Municipal Grant (Dwarsrivier)	R	600.000,00
Donations	R	250.000,00
Grands (CWDM / Wesgro)	R	250.000,00
Grands (CWDM / Wesgro) for Dwarsrivier	R	250.000,00
Marketing Sponsorships	R	-
Wine Members: Contributions	R	1.000.000,00
Other Members: Contributions	R	250.000,00
Stellenbosch Publicity Marketing	R	800.000,00
Commercial Activities	R	-
Total Income	R	7.590.000,00

ESTIMATED PROGRAMME EXPENSES

Visitor Information Centre	R	2,000,000,00
Tourism Skills & Social Development	R	1,100,000,00
Stellenbosch Wines (Wine Route)	R	420,000,00
Dwarsrivier	R	600,000,00
Taste Stellenbosch (Restaurants)	R	100,000,00
Stay in Stellenbosch (Accommodation)	R	120,000,00
Garden Week Stellenbosch	R	100,000,00
Experience Stellenbosch (Sport, Outdoor & Adventure)	R	160,000,00
Meet in Stellenbosch (Business Tourism)	R	200,000,00
	R	4.790.000,00

ESTIMATED OPERATING EXPENSES

Management, Programme Delivery & Administration	R	1,500.000,00
Operating Expenses	R	900.000,00
Marketing & Communications	R	100.000,00
Miscellaneous	R	80.000,00
	R	2,580.000,00

Surplus / Shortfall R - 30.000,00

Social Development

Youth Training and Employment development	R	200.000,00
Trade and Enterprise	R	900.000,00
Total	R	1,100,000,00

Dwarsriver, Events & Projects

Research, Brand Plan	R	150.000,00
Events & Experiences	R	150.000,00
Marketing, Communication & Promotions	R	100.000,00
Operations & Logistics	R	200.000,00
Total	R	600.000,00

Stay in Stellenbosch (Accommodation)

Collateral	R	40.000,00
Marketing, Communication & Promotions	R	50.000,00
Operations & Logistics	R	30.000,00
Total	R	120.000,00

Tasting Stellenbosch (Restaurants)

Collateral	R	40.000,00
Marketing, Communication & Promotions	R	50.000,00
Operations & Logistics	R	10.000,00
Total	R	100.000,00

Experience Stellenbosch (Adventure & Sport)

Collateral	R	80.000,00
Marketing, Communication & Promotions	R	50.000,00
Operations & Logistics	R	30.000,00
Total	R	160.000,00

Meet in Stellenbosch (Business Tourism)

Events & Experiences	R	100.000,00
Marketing, Communication & Promotions	R	50.000,00
Operations & Logistics	R	50.000,00
Total	R	200.000,00

Garden Week		
Collateral	R	50,000.00
Marketing, Communication & Promotions	R	20,000.00
Operations & Logistics	R	30,000.00
Total	R	100.000,00

Visitor Inofrmaiton		
Events & Experiences	R	100.000,00
Marketing, Communication & Promotions	R	100.000,00
Operations & Logistics	R	-
Programme Execution: Consulting & Administration	R	50.000,00
Total	R	250.000,00

MONITORING & EVALUATION

The following factors are fundamental in order for this integrated plan to succeed:

- Support and buy-in of Stellenbosch Municipality and top management at all stakeholder organisations is essential;
- Sufficient budget allocation coupled with proper planning;
- Adequate resources to drive tourism development in the Stellenbosch region;
- Full participation of all stakeholders in the tourism development process;
- The marketing plan must be consistently implemented over the stipulated timeframes and according to the SDBIP if it is to achieve the desired outcomes.

LEGISLATION

The following legislation is considered in all planned tourism initiatives and activities for Visit Stellenbosch:

National Development Plan (NDP)

SA Tourism is entrusted with a critical mandate of contributing towards creating an environment for sustainable employment and inclusive economic growth through tourism. SA Tourism has specifically interrogated and aligned its role to the National Development Plan 2030.

National Tourism Sector Strategy (NTSS)

The NTSS was approved by Cabinet and launched in March 2011. It sets bold commitments for the tourism sector. The NTSS advocates the development of a Domestic Tourism Growth Strategy aimed at increasing domestic tourism's contribution to the economy. The achievement of the NTSS's objectives is dependent on a collaborative effort between government and the private sector.

Domestic Tourism Growth Strategy (DTGS)

The Domestic Tourism Growth Strategy (DTGS) outlines practical measures to address the lack of a tourism culture in South Africans – particularly from previously disadvantaged communities. The strategy is aimed at achieving set targets through education and awareness-raising across the country, as well as by promoting affordable and accessible travel and tourism opportunities.

CONCLUSION

This strategic plan serves as a working document which should be consistently re-evaluated.

Each suggested strategic objective can be revised and needs to be considered in detail pending budget allocations from Stellenbosch Municipality and other stakeholders.

Collectively these strategic actions present a road map of how Visit Stellenbosch can further grow the tourism economy and create opportunities for locals to be part of the industry and increase economic activity to our area.

Stakeholder involvement and improved planning and budgeting for tourism development will be critical to the successful implementation of this plan.

Simply put: we will be stronger when we join forces.



Visit Stellenbosch Marketing & Communications Strategy

2021

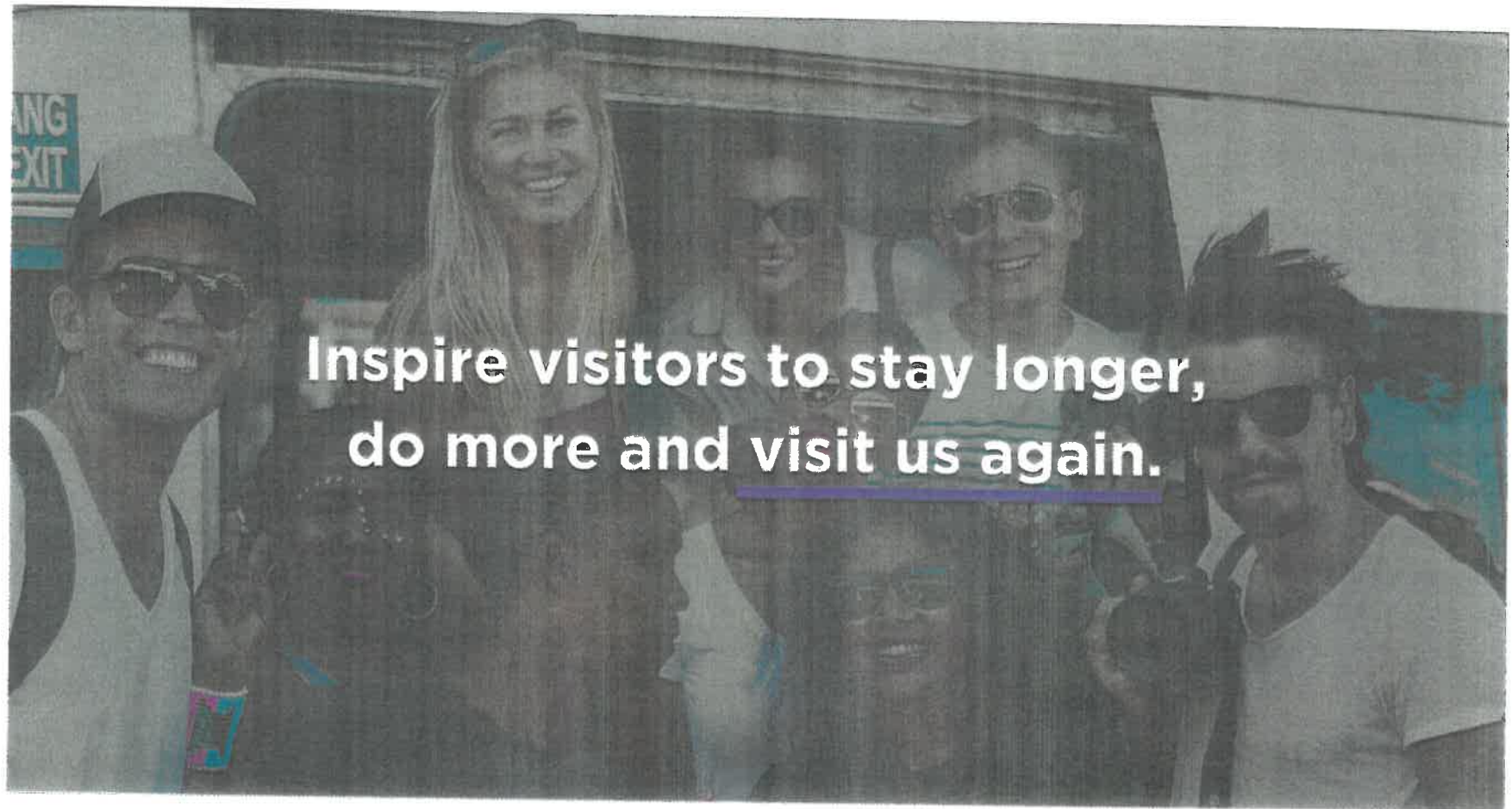


Visit Stellenbosch

Background







STELLENBOSCH BRAND DNA AT A GLANCE

CORE PURPOSE

To enable travellers to access and enjoy all aspects of the Stellenbosch tourism economy.

BRAND MISSION

We aim to create 5000 new jobs in the tourism and experience economy in Stellenbosch in the next 5 years by inspiring visitors to stay longer, do more and visit us again.

BRAND PROMISE

Stellenbosch is a destination that delivers depth of experiences that exceed expectations, enrich local and international guests and inspire them to share their stories.

BRAND ATTRIBUTES

Sustainability

Stellenbosch is invested in the sustainability of the environment and social development of communities

Inclusivity

Stellenbosch is an inclusive destination where people are the focal point. Locals and visitors co-exist and interact around shared experiences.

Integrity

Stellenbosch delivers on its promise as a place where people come to discover, learn, creative, start up, launch and bring into being.

Hospitality

Stellenbosch provides consistently high levels of service and an ethos of generosity at every touch point of the local or visitor experience.

END BENEFIT TO GUESTS

Depth and quality of experience for the end traveller delivered by the diversity and integrity of product.

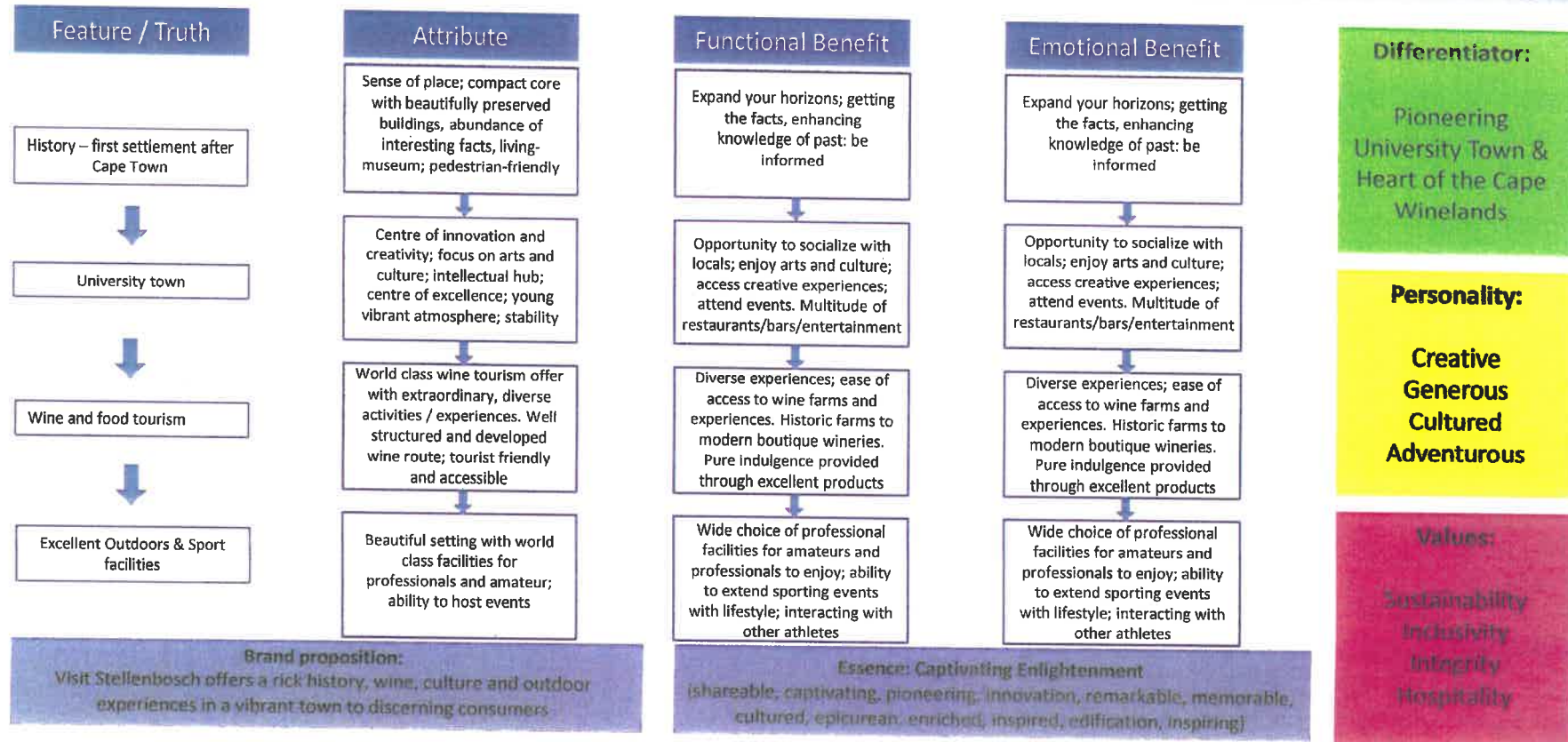
An authentic and valuable travel experience shared by bringing locals and travellers together to share each others' stories

Meeting and exceeding the expectations of visitors consistently to enjoy a fulfilling and engaged encounter with Stellenbosch

The opportunity to be and feel pampered as a valued guest of Stellenbosch no matter how you experience the destination



Consumer Insight: Tourists are enthusiastic about exploring, discovering and experiencing new and special things, including cultural experiences. They are well-travelled and enjoy relaxing and feeling pampered. They appreciate quality – especially when it comes to food and wine.

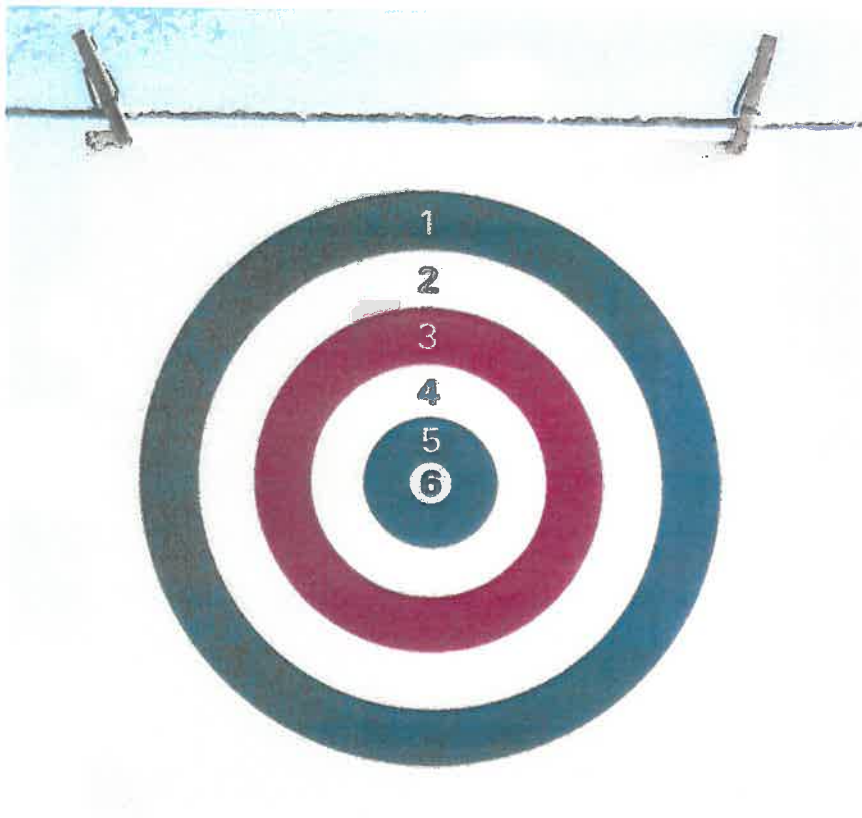


Stellenbosch Brand Positioning Statement

Stellenbosch is a vibrant, university town, surrounded by majestic mountains, that offers a rich history with wine, culture and outdoor experiences that inspire and exceeds expectations to local and international, discerning consumers.



Marketing Goals



Mitigate COVID-19 Lockdown Impact



Increase brand awareness among chosen segments and source markets



Improve seasonality



Stellenbosch beyond the half-day visit



Align and leverage collective marketing for benefit of Destination Stellenbosch



Make it easier and more attractive for audience to access the destination

Visit Stellenbosch Strategic Plan is aligned with Strategic Objectives of Stellenbosch Municipality

**Promote sustained,
inclusive and sustainable
economic growth, full and
productive employment
and decent work for all**

**Promote peaceful and
inclusive societies for
sustainable development**

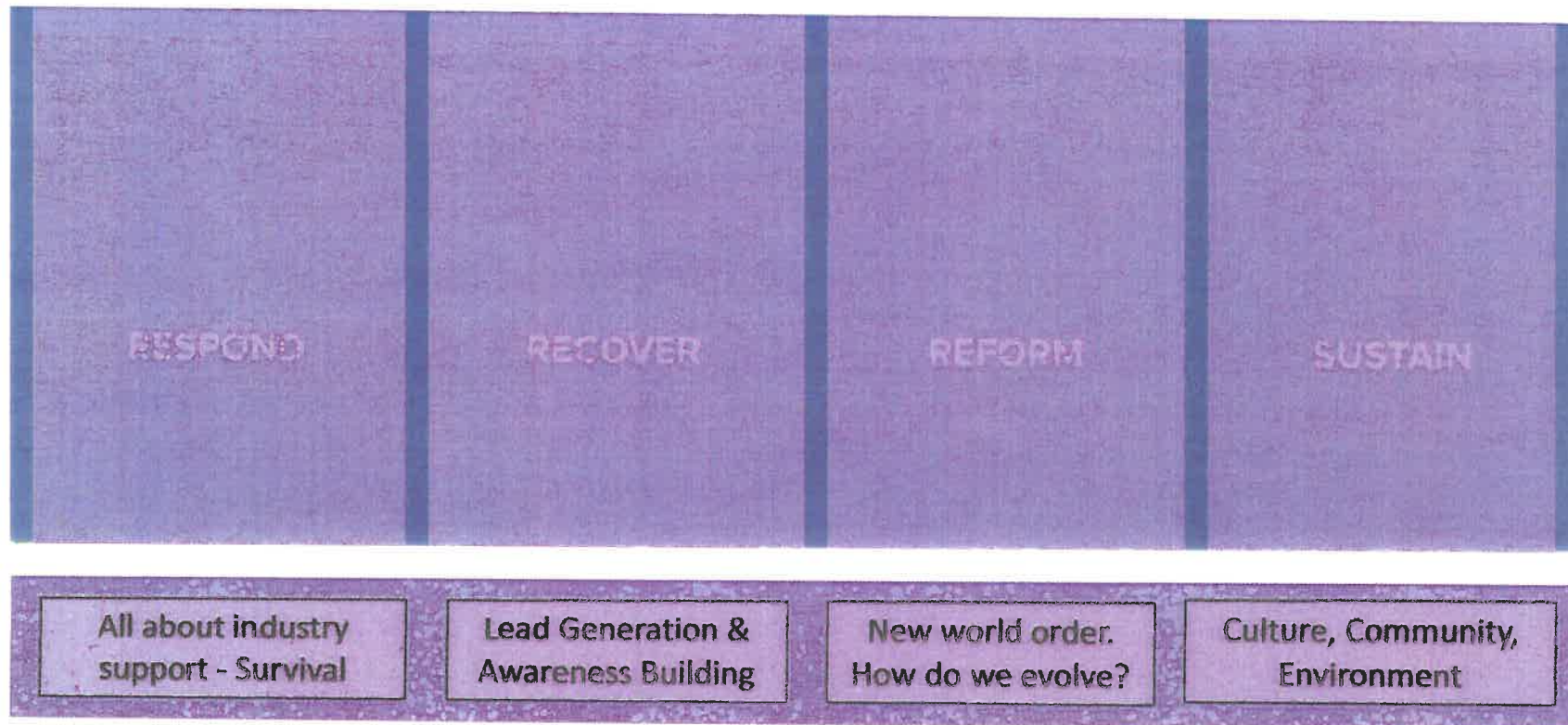
**Creating opportunities
within the economic
infrastructure network to
ensure dignified living**

**Implementing actions to
combat climate change,
protecting, restoring and
promoting sustainable
use of natural resources,
reducing and mitigating
carbon footprint, protect
and nurture biodiversity
and the Cape Floral
Kingdom.**

Visit Stellenbosch & COVID-19



Marketing Response Strategy to COVID - 19



Considerations

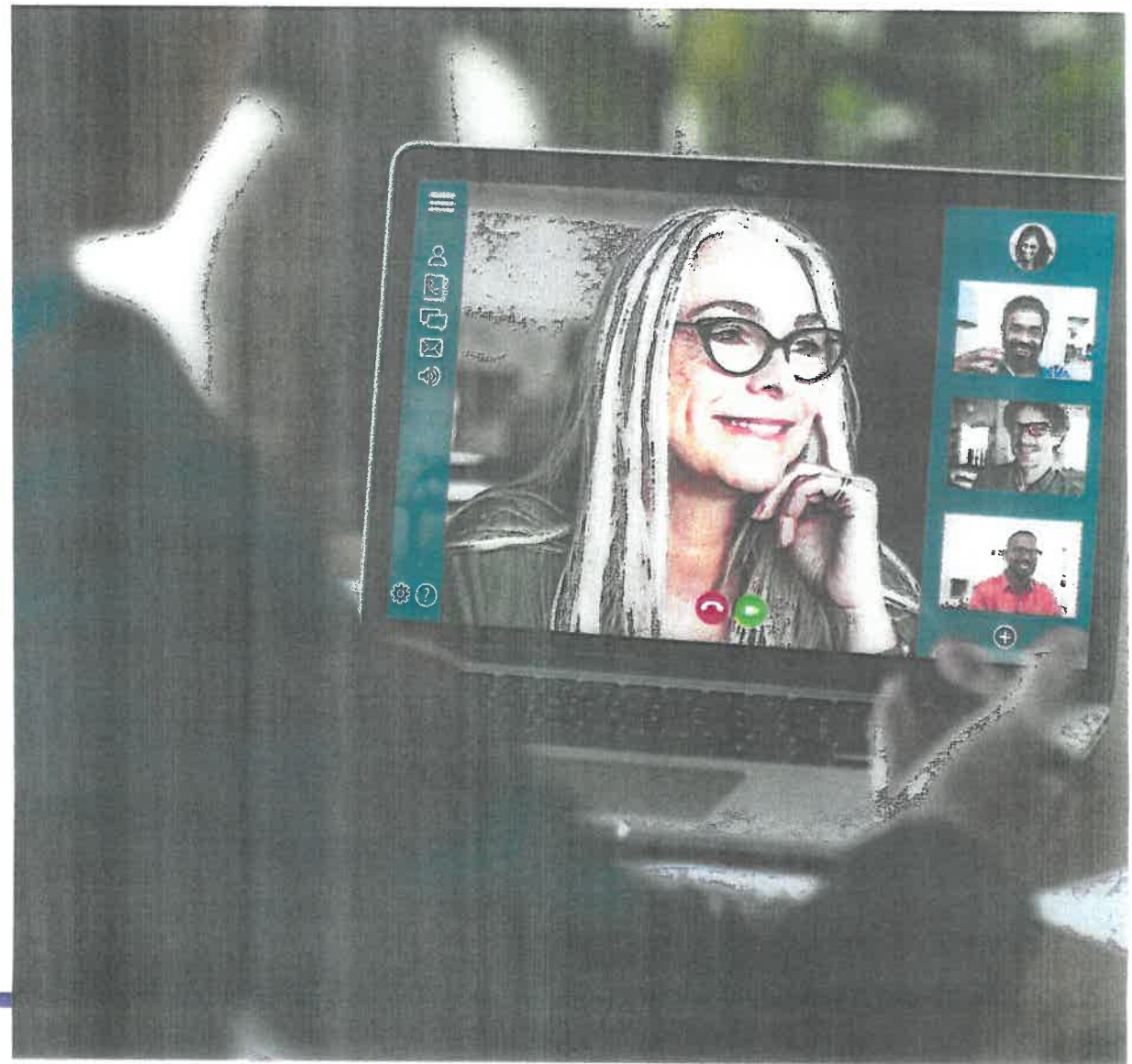
- **Economic hardship** – will affect domestic and international ability to travel
- **Travel Bans** – different parts of the country and world open at different times.
First locals, then province, then country, then international
- **Agility** – read the mood in the room... we have to be flexible
- **New customer** – nature-based, highly sensitive to hygiene and safety, wants to stay closer to home (local-hood), road-trips to avoid flying (seen as spreading virus), VFR will be NB, social distancing requirements will mean product offer has to change – no more high-density tourism!
- **Friends of Stellenbosch** – leverage the bond visitors and locals have with Stellenbosch

Respond

All about industry support and survival...

Initiatives & Platforms

- Info Sessions
- Newsletters
- Website Update
- Affiliated networks
- Mentorship
- Discourse
- Support Stellenbosch Website



Recover

All about Stellenbosch awareness...

Initiatives & Platforms

- Social Media
- Support Stellenbosch
- PR: Stellenbosch Unite, Stellenbosch Warm Heart
- Affiliated networks
- VS Members (Toolkit)
- VS Blog



Reform

All about a new world order...

Initiatives & Platforms

- Info sessions
- Newsletter
- Website Update
- Affiliated networks
- Discourse



Sustain

A focus on community, culture and environment...

Initiatives & Platforms

- Social Media
- PR: Sustainable Stellenbosch
- Affiliated networks
- VS Members
- VS Blog



Visit Stellenbosch

Content Pillars



Content pillars and messaging



Taste Stellenbosch

The Stellenbosch Winelands has something to please every palate, from discerning diners to those looking for farm-to-table market fare, to award-winning wine estates or relaxed, family-friendly picnic spots



Art & Design

Immersed in art and culture, Stellenbosch represents one of the oldest university towns in South Africa, of which heritage plays a pivotal role



Outdoors

From soft adventure to intense trail running and mountain biking, or even sports, Stellenbosch offers outdoors' enthusiasts depth of experiences to suit their wanderlust



Culture & Living History

One of the oldest towns in South Africa, Stellenbosch respects its past and invests in its future



Family Fun

Stellenbosch is the perfect holiday destination to keep the whole family entertained



Meet

Employing the concept of a Living Conference Centre, Stellenbosch offers depth and diversity in terms of meeting opportunities for all types and needs of groups



Stay

Guests are spoilt for choice when it comes to the array of accommodation options in Stellenbosch



Sustainable

Stellenbosch is a destination that pioneers innovative and scalable high-impact solutions to tackle pressing social, economic and environmental issues



Wine

Stellenbosch is without question the heart of the South African wine industry and has over several centuries perfected the art of wine making



Learn

Stellenbosch has a vibrant student scene and is renowned for its spirit of innovation and creativity

Visit Stellenbosch Core Campaigns



Target Market and Messaging

STELLENBOSCH COMMUNITY	
Stellenbosch Locals	Stellenbosch Business
<ul style="list-style-type: none"> • Proudly Stellenbosch • Support Local • Stay and Play in Stellenbosch 	<ul style="list-style-type: none"> • Buy Local • Support Local • Proudly Stellenbosch

GUESTS OF STELLENBOSCH		
Western Cape	South Africa	International
<ul style="list-style-type: none"> • Warm heart of Stellenbosch • Safe Stellenbosch • Remember why you love Stellenbosch • Stay and Play in Stellenbosch 		

Campaign Overview

CAMPAIGN	Stay and Play in Stellenbosch #WarmHeartStellenbosch
KEY OBJECTIVE	Make it easy and enticing for locals and travellers to who fit the following profiles to find information about the experiences on offer for their unique interests: Family, Outdoors, Food & Wine, Luxury, Romance and Wellness.
KEY MESSAGES	<ul style="list-style-type: none"> • Stellenbosch is ready to welcome our visitors back. • We are making it easy and attractive for travellers to visit Stellenbosch • Stellenbosch locals can't wait to share what they love about their town. • Package and categorise the amazing things there is to do in Stellenbosch. • We have been sharing Stellenbosch with the world for 50 years
AUDIENCE	<ul style="list-style-type: none"> • Locals and Hyper-locals • Domestic Travellers • International Travellers as the different source markets open up
MARKETING TACTICS	<ul style="list-style-type: none"> • Trade Partners – Toolkit and Virtual and in person Fams • Media Releases and Content Marketing • Micro Influencer Content • Social media competitions and content • Consumer and Trade Newsletters • Website landing page
DURATION	January to December 2021



Stay & Play
in Stellenbosch

VIEW PACKAGES



Stay & Play
in Stellenbosch

VIEW PACKAGES

Secondary Campaign

What type of
'boscher
are you?

Download a
Stellenbosch Itinerary
that matches your
specific interests...

Scan the download your tailored
specific itinerary and "to-do ideas"
in Stellenbosch.

We'll provide you with
the perfect itinerary for your
Stellenbosch visit.

Are you an
Outdoorsy
'boscher?

Soak up our breath-taking
surrounds, rivaling even our
finest grapes.

When you visit Stellenbosch, you'll
find a world of outdoor activities
and experiences.

I'm an
Outdoorsy
'boscher

www.visit Stellenbosch.org
Tel: 021 885 4310

I'm an
Arty
'boscher

www.visit Stellenbosch.org
Tel: 021 885 4310

I'm a
Foodie
'boscher

www.visit Stellenbosch.org
Tel: 021 885 4310

I'm a
Culture
'boscher

www.visit Stellenbosch.org
Tel: 021 885 4310

I'm a
Wine
'boscher

www.visit Stellenbosch.org
Tel: 021 885 4310

Stay & Play
in Stellenbosch

Every day is an
Outdoorsy
'boscher

Activities on Wheels
 1. A guided tour of the Stellenbosch wine estates.
 2. A guided tour of the Stellenbosch wine estates.
 3. A guided tour of the Stellenbosch wine estates.

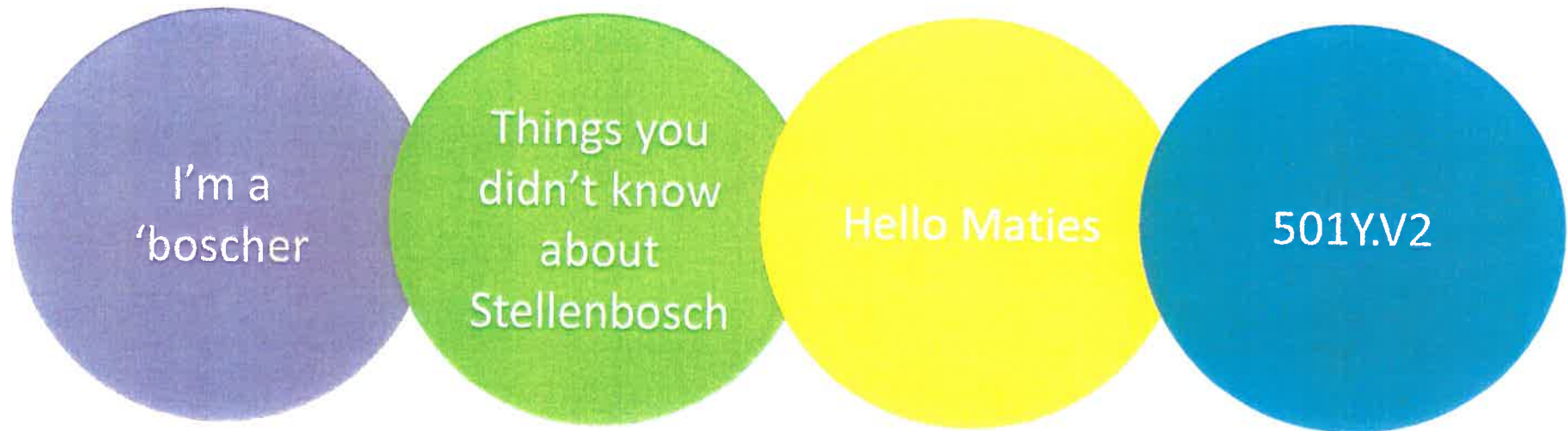
Walking tours
 1. A guided tour of the Stellenbosch wine estates.
 2. A guided tour of the Stellenbosch wine estates.
 3. A guided tour of the Stellenbosch wine estates.

For Outdoorsy Families & Kids
 1. A guided tour of the Stellenbosch wine estates.
 2. A guided tour of the Stellenbosch wine estates.
 3. A guided tour of the Stellenbosch wine estates.

Safari's & Vineyard drives
 1. A guided tour of the Stellenbosch wine estates.
 2. A guided tour of the Stellenbosch wine estates.
 3. A guided tour of the Stellenbosch wine estates.

www.visit Stellenbosch.org • Tel: 021 885 4310

Going forward...



Visit Stellenbosch

Projects and Events



runtown
STELLENBOSCH

winetown
STELLENBOSCH

biketown
STELLENBOSCH



STELLENBOSCH
WINE ROUTES



WINE TOWN STELLENBOSCH
31 July – 9 August 2021



PROPOSED PROGRAMME

Saturday 31 Jul	Sunday 1 Aug	Monday 2 Aug	Tuesday 3 Aug	Wednesday 4 Aug	Thursday 5 Aug	Friday 6 Aug	Saturday 7 Aug	Sunday 8 Aug	Monday 9 Aug
Run					Golf	Golf	Golf		Pink Brunch
BIG Bottle	OppiePlaas	Chenin Blanc	Chardonnay	Pinotage	Stellenbosch Blends	Stellenbosch Cabernet	International Braai broodjie	Stellenbosch Fine Wine 12pm – 6pm	Cap Classique
Lions vs SA Cape Town Watch Party	Wine Tasting Safari	Wine Tasting Safari	Wine Tasting Safari	Wine Tasting Safari	Wine Tasting Safari	Wine Tasting Safari	Wine Tasting Safari		
			Woord & Wyn	Woord & Wyn	Woord & Wyn	Jazz	Jazz	Jazz	

- Taste Stellenbosch -

Restaurant Week Offers | 'n bord Stellenbosch (Plat du Jour concept), Breakfast, Lunch and Dinner Offers

- Stay Stellenbosch -

Accommodation Offers



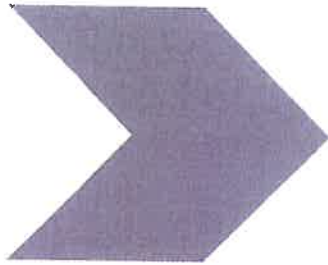
GARDEN WEEK STELLENBOSCH
30 September – 10 October 2021





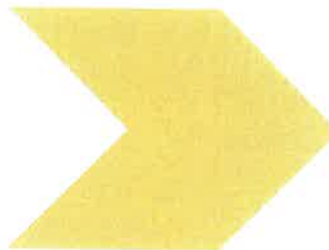
Visit Stellenbosch Socio-Economic Development

Socio-Economic Development Strategy



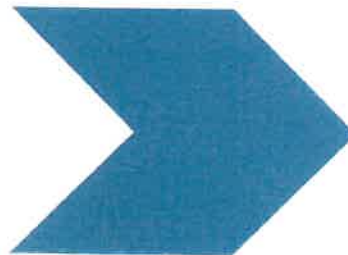
SED Projects

- Youth Training and Employment
- Tourism Product and Enterprise Development
- Social Cohesion



SED Stakeholder Management

- Mobilisation of Tourism Stakeholders
- Mobilisation of Social Stakeholders
- Position VS as SED Focused Organisation



SED Management

- Compliance
- Measurement and Evaluation
- Fundraising and Disbursement

Dwarsrivier Toerisme



Stakeholder engagement – buy in from local communities and development partners



Assessment of product offerings. Workshops and product support.



Brand research and development. Identifying the brand DNA and developing marketing and communication strategy.



Hosting events creating economic opportunity for local communities.



Visit Stellenbosch Source Markets

Visit Stellenbosch Target Markets



German Market

Demographics	<ul style="list-style-type: none"> • 50-64 years • Couples • Price savvy • Highly digitised households
When do they travel (in general)?	<ul style="list-style-type: none"> • August • July • June
What do they do when they travel?	<ul style="list-style-type: none"> • Relaxing (62%) • Sightseeing (36%) • Visiting family (33%) • Romantic getaway (23%) • Family holiday (15%)
What's important to them when they travel?	<ul style="list-style-type: none"> • Lifetime experiences • Feeling pampered • Cultural experiences. • Influenced by perceptions of safety • Value • Like outdoors and adventure
Where do they get their information?	<ul style="list-style-type: none"> • Content from destinations and travel brands • Top online sources include OTAs and SE • Book through OTAs + high reliance on traditional travel channels
Opportunity	<ul style="list-style-type: none"> • High repeater rate (23% returning 2/3 times) • Long length of stay: 12 nights on average • High visibility in market for Stellenbosch • Traditional travel over Stellenbosch winter, but not SA

Netherlands Market

Demographics	<ul style="list-style-type: none"> • Aging Dutch population – biggest travel market (between 35 and 49 yrs) • Couples / families • Price savvy • Mature travel market • Travel 2.82 times annually
When do they travel (in general)?	Long-haul travel happens between November and April
What do they do when they travel?	<ul style="list-style-type: none"> • Leisure (79%) • Business (21%)
What's important to them when they travel?	<ul style="list-style-type: none"> • Outdoors and adventure (nature and wildlife) • Value • Sustainability • Friendly and welcoming locals
Where do they get their information?	<ul style="list-style-type: none"> • Friends and family • Online travel inspiration – most of travel bought online • Package deals through travel agents • Independents buy direct through suppliers online
Opportunity	<ul style="list-style-type: none"> • High repeater rate 13.6% returning 2/3 times • High visibility in market for Stellenbosch • Peer-to-peer marketing (UGC) because of reliance on referral • Adventure and trekking – a fast-growing segment • Direct flight from Amsterdam to Cape Town • Long length of stay (26.1 days) • Share same values as Stellenbosch – aligned • Over 50% visit Western Cape

UK Market

Demographics	<ul style="list-style-type: none"> • Strong youth segment 25-34 years - 28.3% and 35-44 years - 27.2%. • Price savvy • Highly digitised households
When do they travel (in general)?	<ul style="list-style-type: none"> • August • September • July
What do they do when they travel?	<ul style="list-style-type: none"> • Holiday (64%) • VFR (21%) • Business (12%)
What's important to them when they travel?	<ul style="list-style-type: none"> • Weather • Good food and wine • Friendly open citizens • Influenced by perceptions of safety • Value
Where do they get their information?	<ul style="list-style-type: none"> • OTAs have the most significant reach in the UK • Online information sites, such as Tripadvisor.com, Nationalgeographic.
Opportunity	<ul style="list-style-type: none"> • High repeater rate (28.2%) returning 2/3 times • Top source market for Western Cape, lots of growth Jan to Mar 2020 • Lots of annual leave - 11 nights in sa • Great airlift into Cape Town • Family and friends rank as a significant offline resource for travellers. • Year-round travel possible • Share the same values as Stellenbosch – good fit

USA Market

Demographics	<ul style="list-style-type: none"> • Couples • Access to and reference a lot of information online • Price savvy • Robust youth market n 25-34 years (25.1%), 35-44 years (24.9%) • Vacation time shorter than other markets
When do they travel (in general)?	South African Winter Months (linked to safari)
What do they do when they travel?	<ul style="list-style-type: none"> • Holiday (64%) • VFR (21%) • Business (12%)
What's important to them when they travel?	<ul style="list-style-type: none"> • Value for money • Safety and security • Nature and Wildlife • Good food and wine • Friendly open citizens
Where do they get their information?	<ul style="list-style-type: none"> • Search engines • Recommendations from friends and family
Opportunity	<ul style="list-style-type: none"> • Peak months for travel to South Africa are generally between May and July, making the US a particularly strong winter market for South Africa. • Important for this market to tie-up with safari. • High repeater rate (20.5% who travelled to South Africa 2-3 times before) • New United flight into Cape Town (but not over winter) • Family and friends rank as a significant offline resource for travellers. • Share the same values as Stellenbosch – good fit

SA Market

Demographics	<ul style="list-style-type: none"> • Largely inexperienced travellers • Local self drive or fly and flop holidays • Very Price sensitive • Highly digitised and mobile focussed • Vacation time shorter than other markets
When do they travel (in general)?	Between two and four holidays annually – generally around school holidays
What do they do when they travel?	<ul style="list-style-type: none"> • Business • VFR • Holiday
What's important to them when they travel?	<ul style="list-style-type: none"> • Value for money • Outdoor & nature-based destinations • VFR travel
Where do they get their information?	<ul style="list-style-type: none"> • Search engines • Recommendations from friends and family • Peer review through social • Travel review • Traditional travel agents • Travel suppliers (online)
Opportunity	<ul style="list-style-type: none"> • Growing black middle class > spend on luxury items • Strong appetite for status • Year-round travel – opportunity for winter travel • Business travel

Brazil Market

Demographics	<ul style="list-style-type: none"> • Semi-independent / independent travellers • Mostly solo or couples
When do they travel (in general)?	<ul style="list-style-type: none"> • December – January • July
What do they do when they travel?	<ul style="list-style-type: none"> • Holiday • VFR • Education
What's important to them when they travel?	<ul style="list-style-type: none"> • Value for money • Safety and security • Good food and wine • Enjoying life to its fullest • Shopping and Entertainment
Where do they get their information?	<ul style="list-style-type: none"> • ¾ consult a travel agent. Half book via travel agents • Television • Social Media
Opportunity	<ul style="list-style-type: none"> • Huge education market for Cape Town (English)** • Demand for good food and wine – aligned with Stellenbosch • Travel in July – winter season for Stellenbosch • Steadily developing economy with rise in middle class

Middle East Expat Market

Demographics	<ul style="list-style-type: none"> • Youthful market (21 to 50 years) • Couples and families
When do they travel (in general)?	<ul style="list-style-type: none"> • Multiple trips annually • Most travel twice a year, then three times a year, then four times a year
What do they do when they travel?	<ul style="list-style-type: none"> • Sightseeing • Shopping • Food • Relaxing and pampering
What's important to them when they travel?	<ul style="list-style-type: none"> • Treat themselves • Discover the world • Safety and security • Luxury and green landscapes • Seeking cooler temps in summer • Diversity of experience • Warmth and friendliness of host country • Value for money • Airlift • Visas
Where do they get their information?	<ul style="list-style-type: none"> • Friends and family • Search online: SE / Review sites / Travel providers • Social media influencers & Celebs • TV, magazine, digital editorial and advertising • Online Travel Agencies (booking.com. Dnata Travel, Emirates Holidays)
Opportunity	<ul style="list-style-type: none"> • Escape heat over June – August (seasonality) • Strong air links (Emirates and Qatar have direct flights) • High income and high spend • International travel highest proportion of all travel

Source Markets & Messaging



German

Stellenbosch offers the depth of affordable cultural and outdoors activities desired by the German market. For German travellers, there's a direct flight and no visa is required.

Netherlands

Stellenbosch offers beautiful outdoors and adventure opportunities, as well as friendly and welcoming locals. For Dutch travellers, there's a direct flight and no visa is required.

UK

Stellenbosch offers good food and wine, friendly open citizens and value-filled experiences. For British travellers, there's a direct flight and no visa is required.

USA

Stellenbosch offers the perfect combination to a South African safari over the winter period. For American travellers, there is a new direct flight from New York and no visa is required.

Brazil

Stellenbosch offers a sophisticated sojourn for discerning Brazilian travellers seeking value for money. For Brazilian travellers, there is a flight from São Paulo via Johannesburg and no visa is required.

Middle East Expat

Stellenbosch offers a cool, lush and green escape for Middle East expats over the summer months. For UAE-based expats, there are direct flights with Emirates and Qatar to Cape Town. Visa requirements differ per source market.

South Africa

Stellenbosch offers depth of experience for South African travellers seeking value for money and a sophisticated destination on their doorstep. For South African travellers, there are a multitude of flights daily.



Market Segments

Market Segments



Socially Aware

This pattern of thinking is usually associated with the highest socioeconomic group. These 'insatiable information vacuum cleaners' are addicted to finding out or trying anything that's new or different and persuading others to accept their opinions, priorities and lifestyle preferences.



Experience Seekers

These people are typically open minded and have an interest in world affairs. They are opinion leaders within their peer and social groups. They are not characterised by nationality, preferred holiday style/mode or age. They are sociable and seek out and enjoy authentic personal experiences they can talk about.



Business Tourists

Travel is aimed at conducting business whether through a meeting, incentive, conference or exhibition. This tourist may also wish to extend their visit to encompass some leisure time in the destination.



Cultured Connoisseur

This pattern of thinking is associated with the proof of having made it up in the seemingly never-ending social ladder. Personal recognition, higher incomes, job satisfaction and other tangible rewards of success such as travel, recreation and high-quality homes, vehicles and holiday location provide the very best of visible good living.

Socially Aware

Demographics	<ul style="list-style-type: none"> • Experienced and well-educated travellers • High social and environmental conscience • Discerning with their choices • Will pay a premium • Gen Y and Baby Boomers predominantly
When do they travel (in general)?	Depends on the source market – June to mid-September and around major holidays.
What do they do when they travel?	<ul style="list-style-type: none"> • Meeting and interacting with locals • Hands-on participation / learning • Volunteer • Soft adventure
What's important to them when they travel?	<ul style="list-style-type: none"> • Different / stimulating holidays • Curious about other cultures and environments • Want to connect with others • Self development and creativity is important • Seek to challenge themselves • Off the beaten track experiences
Where do they get their information?	<ul style="list-style-type: none"> • Predominantly fully independent travel • Pre-packaged tours with specialist operators, e.g. Lindblad, G Adventures • Responsible tourism directories, e.g. responsibletravel.com, planeta, etc
Opportunity	<ul style="list-style-type: none"> • Sustainability value aligned • Growing market segment globally • Seeking human connections which Stellenbosch can deliver

Experience Seekers

Demographics	<ul style="list-style-type: none"> • Couples and groups of friends • Likely to stay overnight (not a day visitor) • Digital savvy • Disposable income • Well educated • Opinion leaders and influencers in their communities
When do they travel (in general)?	Depends on the source market
What do they do when they travel?	<ul style="list-style-type: none"> • Meeting and interacting with locals (authenticity) • Hands-on participation / learning • Local food and drink • Countryside and scenery • New off-the-beaten track experiences
What's important to them when they travel?	<ul style="list-style-type: none"> • Flexibility • New and authentic experiences • Cultural activities
Where do they get their information?	<ul style="list-style-type: none"> • Open to advertising messages – entertaining and interactive • Social Media • Friends and family recommendations
Opportunity	<ul style="list-style-type: none"> • Slower relaxed pace of travel – longer stays in Stellenbosch • Values are aligned with Stellenbosch offering • Growing market segment globally

Business Tourists

Demographics	<ul style="list-style-type: none"> • Short duration of trips • Ages 21 to 60 years • Solo traveler / Group travel
When do they travel (in general)?	Year-round travel
What do they do when they travel?	<ul style="list-style-type: none"> • Networking • Business Deals • Learning • Entertainment, food and drink
What's important to them when they travel?	<ul style="list-style-type: none"> • Ease and comfort of travel • Diversity of product and experience • Safety and security • Good communications and Internet • Proximity to airport and related services
Where do they get their information?	<ul style="list-style-type: none"> • Travel Management Company • Incentive Travel Manager / DMC • Professional Conference Organiser • Financial and business media • Online booking tools / Internet Search Engines
Opportunity	<ul style="list-style-type: none"> • Travel year-round • Less impacted by 'shocks' • Return leisure business / influence others to travel

Cultured Connoisseur

Demographics	<ul style="list-style-type: none"> • Experienced and well-educated travellers • Discerning with their choices • Will pay a premium
When do they travel (in general)?	Depends on the source market.
What do they do when they travel?	<ul style="list-style-type: none"> • Non-Googleable options • One-off experiences • Emotional connections • Experience of the 'Good life'
What's important to them when they travel?	<ul style="list-style-type: none"> • Trusted travel information • Consistently high service levels and quality product • Indulgent and authentic experiences • Exclusivity
Where do they get their information?	<ul style="list-style-type: none"> • Luxury travel agents • Business magazines • Recommendations from friends and family
Opportunity	<ul style="list-style-type: none"> • Values aligned • Seeking human connections which Stellenbosch can deliver

Market Segments & Messaging



Socially Aware

Stellenbosch offers guests an opportunity to engage with other cultures and environments. Having signed the Porto Protocol, the destination is also focussed on environmental sustainability.



Experience Seekers

Stellenbosch offers an authentic travel experience where guests can get hands-on with their travel and savour the local food and drink.



Business Tourists

Stellenbosch offers a diversity of products and experience to ensure that the business tourists' needs are fully and consistently catered to.



Cultured Connoisseur

Delivering consistently high service levels and quality, Stellenbosch is the epitome of destination indulgence.

A decorative graphic consisting of approximately 18 dots of various colors (dark blue, light blue, yellow, green, red, purple) arranged in a circular pattern around the word STELLENBOSCH.

STELLENBOSCH

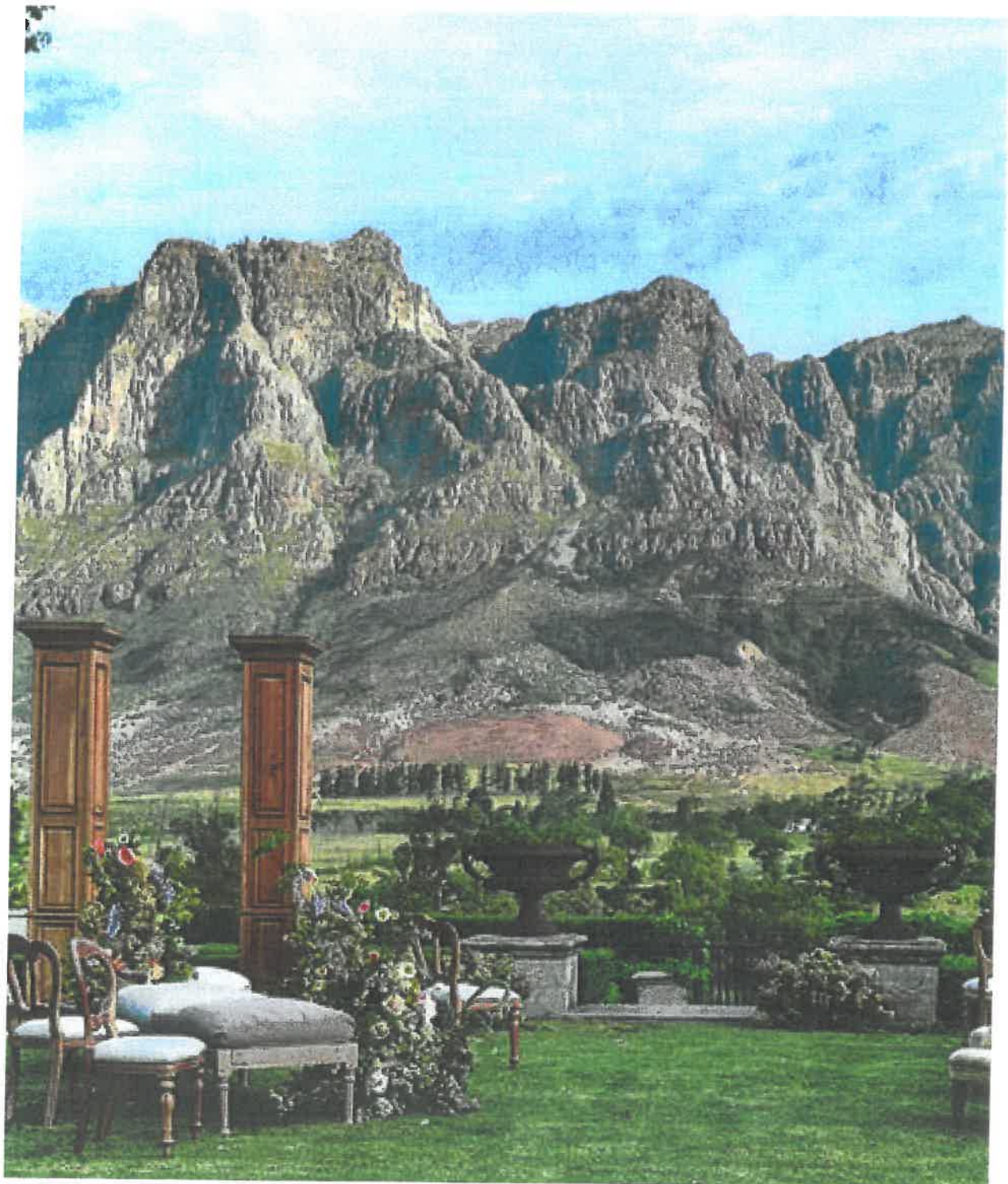
THANK YOU



Managed by



ANNEXURE C



ABOUT DWARSRIVIER:

Dwarsrivier, named such because of the Dwarsrivier that runs through it from top to bottom, boasts exquisite natural beauty and dramatic mountain-scapes and a certain mysterious presence in its history, its stories, trials and tribulations. From the blood sweat and tears of slavery galloping through the rocky walks of life until the day of today where the merger between the old and the new worlds become evident, Dwarsrivier has so much to offer and to be packaged.

The Dwarsrivier Valley serves as a triumphant example of the way forward. Here we can experience a unique balance between pure historical Cape Culture and modern-day lifestyles of wellness, gourmet foods and fine wines. The valley has what it takes to satisfy the humanitarian, the socialite, the nature lover, the historian, the adventurous spirit and certainly the connoisseur.

Dwarsrivier has so many treasures and heaps of potential to be developed as a tourism hotspot in collaboration with the different communities and role-players. There is lots of work to be done.

VISIT STELLENBOSCH

Visit Stellenbosch has been appointed to assist with the management and marketing of the destination. Visit Stellenbosch has a strong and proven reputation for connecting all tourism sectors and socio-economic initiatives to create a compelling and unique place experience for locals and visitors throughout the year.



STAKEHOLDER ENGAGEMENT

Visit Stellenbosch recognises that community buy-in is at the centre of any decisions about tourism planning and development. Stakeholders are affected in different ways by tourism development, so understanding diverse perspectives of stakeholders and how they are affected is critical for constructively engaging communities in planning, and designing an effective strategy, in this case, is not straightforward.

Visit Stellenbosch is pro-actively meeting with all the role players and service providers across all the sectors (not only tourism), to understand their goals and get their buy-in and support for an effective tourism and place brand strategy.

PROJECTS

Dwarsrivier: Research, Brand Development and Marketing / Communication Strategy

DWARSRIVIER TOURISM RESEARCH, BRAND DEVELOPMENT AND MARKETING/COMMUNICATION STRATEGY		
AIM / OBJECTIVE	PERFORMANCE TARGETS	
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	In order to develop a Destination brand and strategy extensive research must be completed with the regards the resources, products and service providers. Secondary research must be done to understand the source markets and visitor personas to develop an effective marketing plan. Research will determine what products and skills are available and to what extent these can be packaged or alternatively require training, development or market readiness assistance.	R 50,000
	Compile a full Brand DNA report including mission, vision, objectives, goals, define audiences, target markets, brand personality, tone of voice, ambitions, etc. Develop all brand elements and assets in a toolkit, include logo, taglines, key messaging, imagery, etc. Refresh a website and implement a website marketing strategy, etc. Refresh social media channels and drive presence.	R 100,000
	TOTAL REASEACH AND DEVELOPMENT	R 150,000

Dwarsrivier: Information Centre

DWARSRIVIER INFORMATION CENTRE		
AIM / OBJECTIVE	PERFORMANCE TARGETS	
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	Operate a visitor centre: The Visitor services centre provide information and aid to any current or potential tourists within a destination and its surrounding areas.	R 200,000
	The centre acts as the main point of contact for tourists' travel planning inquiries, as well as a place where local businesses and travel agencies can go to promote their products and services.	
	The visitors centre is staffed by a Visitor Information Liaison, all upskilled to provide additional admin and event support.	
	The visitor centre collects key data (visitor numbers, requirements, destination of origin, etc)	
	Shared operational costs including telephone, internet, cleaning, security, etc.	
	Marketing: invest in marketing opportunities, printed and digital collateral to support the promotion of Destination Dwarsrivier	R 100,000
TOTAL VISITOR CENTRE		R 300,000

Dwarsrivier: Projects

EVENT: GARDEN WEEK		
AIM / OBJECTIVE	PERFORMANCE TARGETS	BUDGET
Linking in with garden day and Garden Week Stellenbosch, Dwarsrivier plans to activate on various fronts. Using events to create economic opportunities and showcase the treasures of the valley.	Garden Tours: Assist and support private gardeners to get their gardens ready to be included in the Private Garden Tours, signage, collateral, maps, admin and logistical assistance.	R 10,000
	Programme and workshops: Offer a speaking programme and several showcases such a chrysanthemum growing workshop, open garden at Johannesdal and other well-known gardens in the area.	R 20,000
	Community social cohesion: Activate several celebratory events, celebrating gardening on 17 September. Invite members of the communities and general public to attend an event to share cultures and experiences and customs.	R 20,000
SUB TOTAL		R 50,000
EVENT: OTHER EVENTS		
AIM / OBJECTIVE	PERFORMANCE TARGETS	BUDGET

Use events to drive positioning, economic opportunities and destination visibility for Dwaarsrivier.	Adam Small Festival: A celebration of Small's contribution to Afrikaans; paying tribute to the life and times of Adam Small and celebrating Small's contribution to Afrikaans by various poets, writers and more. Event logistics and collateral, marketing, photography, speakers programme	R33,000
	Chrysanthemum Festival: An highlight on the Dwaarsrivier calendar - young and old, should attend the Chrysanthemum Exhibition held at the Pniel Tea Garden and Museum. The day includes the exhibition and selling of the beautiful chrysanthemums, info sessions and delicious home-made treats for sale. Event logistics and collateral, marketing, photography, speakers programme.	R 34,000
	Slawedag / Slaveday: Every first of December annually the community of Pniel in the Dwaarsrivier Valley, commemorates the Freedom of the Slaves. Event logistics and collateral, marketing, photography, speakers programme.	R33,000
SUB TOTAL		R 100,000
Total Projects		R150,000



BUDGETS AND RESOURCES

Sources of Income

The following are the anticipated trends and assumptions in Visit Stellenbosch's main sources of income which form the basis for the budget projections.

Grants and Donations

- Stellenbosch Municipality operational grant funding of R 600,000 in 2021/2022 is required, thereafter the grant funding should be sustained and increased for expansion.
- Cape Winelands District Municipality (grants) ringfenced for specific projects and not part of operation income/expenditure of R 250,000.

Marketing Sponsorships

- Project sponsorships are actively being sought. Covid-19 legislation will determine whether events are permitted. Sponsorships are sought on event or project basis.

Members

- No membership income currently collected/received

Commercial Activities

Unfortunately, the scope for income from commercial activities is extremely weak in the 2021/2022 financial year.

Total Estimated Income For 2021/2022: **R 850,000**



ANNEXURE B

Visit Stellenbosch Socio-Economic Development (SED)

1. Introduction

Visit Stellenbosch (VS) is committed to bringing about sustainable and measurable economic growth through tourism. In an equitable business environment this rationale would suffice, but the economic context of South Africa dictates that market growth alone will not necessarily translate into improved socio-economic conditions.

Although the tourism sector in Stellenbosch is very lucrative (pre Covid-19) its financial benefits are not being 'absorbed' equally. The inclusiveness of the consumption growth rate in the Stellenbosch tourism sector is very low and our objective is to bring about systemic change to address this. The issue is best described by the World Bank in its 2019 'Overview' (<https://www.worldbank.org/en/country/southafrica/overview>):

"South Africa remains a dual economy with one of the highest inequality rates in the world, which is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor. Furthermore, intergenerational mobility is low meaning inequalities are passed down from generation to generation with little change in inequality over time. Not only does South Africa lag its peers on level of inequality and poverty, it lags on the inclusiveness of consumption growth."

With inclusive economic growth as motivator, we have embarked on two long-term projects aimed at bringing about systemic change in the sector. Our SED strategy is purposed to equip, empower and include community based, previously disadvantaged and marginalised individuals and enterprises into the tourism economic stream, that we are endeavouring to widen.

We therefore refer to our strategy as 'socio-economic' in nature. This practically means that we are focused on realising meaningful social impact through the economic development objectives that are the main purpose of the organisation. These two aspects, economic development and social impact should therefore not be seen as two separate concepts, but rather as integrated, with economic development catalysing social impact through fair distribution of opportunity.

Our SED strategy is focused on two main objectives:

1. To promote and facilitate the employment of youth in the tourism sector in Stellenbosch, and to address the issues that disconnect youth from formal employment

2. To offer trade and enterprise support services to emerging community-based tourism service providers and to address the issues that prohibit their consumption of economic growth

All our SED activities are focussed on both short- and long-term objectives. In the short term our activities are purposed to direct opportunities and financial gain to the individuals and enterprises in the sector that have been identified as needing development support. Seen over a longer term, our projects are purposed to overcome the systemic issues that prohibit equitable economic consumption in the Stellenbosch tourism sector.

2. SED Projects Overview

During the July 2020 - June 2021 financial year we have made good progress with the establishment of our two main or 'flagship' SED projects. Both these projects have long term visions to address systemic issues and to assist multiple beneficiaries that enter, receive support and exit on an ongoing basis. We have therefore had a strong focus on strategy implementation, development of systems and the establishment of partnerships during this past financial year.

Herewith a summary of the VS SED projects:

Project Name	Objective
Youth Employment	Promote job readiness training and facilitate employment opportunities for youth by integrating colleges and formal employers in the tourism sector in Stellenbosch.
Trade and enterprise support to emerging community-based tourism enterprises	Promote trade and enterprise development for emerging community based tourism enterprises through product development and market access services.

2.1. Youth Employment Project

The VS youth employment project has two main objectives, the first is to encourage tourism employers to preferentially employ youth graduates from participating colleges (Bergzicht, PYDA and Stellemploy), and the second is to address the wider issues that prevent the successful employment of youth in the sector. These 'wider' issues include researching skills requirements in the sector, advancing employability training and supporting colleges to grow their uptake of NEETS (youth not in education and training).

As mentioned above, we have successfully completed the first phase of this project, which included the following deliverables:

- A joint project strategy was created with education partners and employers

- A formal study on the employment expectations of tourism employers have been initiated and will be completed at the end of 2021
- Job Readiness training has been supported and evolved in participating colleges
- A dedicated website has been created to connect college graduates with formal tourism employers to enable recruitment.

Our focus in the next financial year will be to further develop this long-term project and achieve the following objectives:

- To implement the newly created employment website in conjunction with participating colleges.
- To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report
- To offer support to participating colleges in the further development of their employability training offerings
- To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.

Herewith please find more details on the 2022 objectives of the VS Youth Employment project:

OVERVIEW	
To implement the newly created employment website in conjunction with participating colleges.	The implementation of the newly created website entails a number actions and multiple role players. Participating colleges have made staff available that will populate, update and manage the loading of their student candidate profiles. They will also update the site regularly as the site will cater for both short-term employment (on the job learning/practicals) during study periods, as well as full-time employment after the graduation of participating students. During this year we will orientate and train system users, iron out system errors and fully activate all the functionality of the website. This phase includes consultation, training workshops and further web development. A focus of this phase is the establishment of measurement reporting to track the success of the project.
To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report	We have embarked on a formal study (through Stellenbosch University) to establish the work and skill expectations that formal tourism employers have of youth entering the tourism workforce. The purpose of this study is to assist the participating colleges in the formulation of effective employability training curriculums and to address the perceptions and expectations that employers have on youth employees. The outcome of the study is a purposed report that will be shared with college directors and other stakeholders in a workshop styled interaction. The purpose of the report is to formulate an employability training strategy for youth in the tourism sector.

To offer support to participating colleges in the further development of their employability training offerings	We will be disbursing funds to the participating colleges, specifically for employability training provision. This will fund a range of lectures and workshops presented by subject experts. Over time we want to influence this study area in participating colleges and in the wider tourism environment, in order to bring about systemic change to the way youth is integrated into employment in the sector.
To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	Our youth employment website is employer 'centric' which means that a central focus point of the strategy is gaining users with the ability to offer employment directly. We will therefore embark on a focussed promotional campaign to attract usage from the formal tourism sector. This will be done in two ways, the first is a focussed communication campaign that includes reaching this market on a regular basis. The second is a personal lobby to steer employers towards giving preferential consideration to youth employee candidates as presented on the website.

2.2. Trade and Enterprise Development Project

The VS trade and enterprise development project has two objectives. The first is tourism product development and the second is the creation of market access for the participating product owners/service providers.

Our project is built on the fact that there is a growing international trend towards authentic tourism that offers historical overview, cultural experiences and real life inter-cultural connections. Our participating tourism service providers and products are uniquely positioned to fulfil this gap.

In addition, this gap intersects with the keen interest of local schools, universities, volunteer groups and non-profits, in the communities we work in. We refer to this opportunity as "social impact tourism".

Our objective is therefore to procure income opportunities for participating service providers through focussed market access initiatives in the cultural experience and social impact tourism niche markets.

Together with this objective we also offer comprehensive product development services that entail both the formalisation of the services, as well as the market readiness competent of the offerings.

This long-term project is focussed on establishing community-based tourism products in the market and to assist the service providers to operate these products professionally and sustainably. In addition we aim to stimulate secondary enterprise development based on tourism traffic in the various

communities and to create community-based employment through the development of participating enterprises.

We have made good progress and the following was achieved to date:

- 14 products have been identified and are at various levels of development
- A dedicated website and online booking system has been created
- We have made good progress with the development of professional marketing collateral for each participating product
- Product sales have been initiated
- 7 tour guides have been trained and registered, bringing our count of participating service providers that are tour guides to 14

Our focus in the next financial year will be on the further development of the projects with the following objectives:

- To bring the 14 products to a level of professional “market readiness”
- To identify and develop an additional 2 new products
- To launch a dedicated international and local product promotional campaign
- To initiate a direct sales service to procure group and event bookings
- To further develop our dedicated booking service
- To establish a satellite VS office focused on niche product sales
- To offer a tourism focussed training programme for participating service providers and their staff
- To offer ongoing business support to participating service providers

Herewith please find more details on the 2022 objectives of the VS Trade and Enterprise Development project:

ACTION	OVERVIEW
Completion of market readiness development of 14 products/service providers	We have made great strides in the overall development of the products we have identified. We are now busy with refining or “market readiness” development. This entails the achievement of a list of market expectations that span every aspect of the product and it’s presenting service proving enterprise. In many cases this entails investment in direct product requirements (equipment), research, testing and formulating of experience narratives (tour scripts) and many other unique issues that each service provider faces. We hope to conclude this aspect of development for the first 14 products during this financial year.
Identify and develop 2 additional community-based products within our marketing niche	We aim to add two new products to the project annually. The two newly identified products will follow our development process that is now well established.

Completion of production of professional marketing collateral for 16 products	Tourism is very marketing intensive and require a host of marketing collateral, Our objectives here would be to firstly update existing collateral and secondly to produce collateral for products still in development.
Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products	We will be implementing two promotional campaigns, one targeting the international tourism market (for sale of cultural experiences) and the other targeting local markets (social impact experiences). The campaigns will include travel activations (mostly online at this stage), email and social media marketing, brochure distribution and promotional product 'test' presentations.
Initiate a direct sales service to procure group and event bookings	We will be launching a direct sales effort to procure real-time market access for service providers through a direct sales and reservations service.
Establish a satellite VS office focused on niche product sales	We will be establishing a satellite office at "The Hub" in Stellenbosch to serve as an access point for experience departures and a focus on the promotion of our products.
Offer a tourism focussed training programme for participating service providers and their staff	We will be presenting a multi-faceted training curriculum to participating service providers focused on tourism service provision. Topics such as client services, communication, tour leadership, safety, first aid, risk mitigation and administration will be included in the programme.
Offer ongoing business support to participating service providers	We will be offering business support services to participating service providers on an ongoing basis. This includes issues such as financial management, formalisation of enterprises and other related business needs.

3. Projects Summary, Budget & Timelines

Herewith please find a project summary and budget for the 2021/2022 VS SED projects:

BUDGET		
PROJECT	DELIVERABLES	COST
Youth training and employment development in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	To implement the newly created employment website in conjunction with participating colleges.	R30 000
	To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report	R20 000
	To offer support to participating colleges in the further development of their employability training offerings	R90 000
	To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	R60 000
SUB TOTAL		R200 000
Trade and enterprise development for emerging community-bases tourism service providers/entrepreneurs. Actively develop tourism products and gain market access for participating service providers/entrepreneur	Completion of market readiness development of 14 products/service providers	R70 000
	Identify and develop 2 additional community-based products within our marketing niche	R40 000
	Completion of production of professional marketing collateral for 16 products	R140 000
	Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products	R300 000
	Initiate a direct sales service to procure group and event bookings	R200 000

	Establish a satellite VS office focused on niche product sales	R60 000
	Offer a tourism focussed training programme for participating service providers and their staff	R60 000
	Offer ongoing business support to participating service providers	R30 000
SUB TOTAL		R900 000
TOTAL		R1 100 000

Timelines:

SOCIAL ECONOMIC DEVELOPMENT PROGRAMMES		
AIM / OBJECTIVE	BY WHEN	PERFORMANCE TARGETS
Youth training and employment development in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	July - September 2021	To implement the newly created employment website in conjunction with participating colleges.
	July - December 2021	To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report
	July 2021 - June 2022	To offer support to participating colleges in the further development of their employability training offerings
	July 2021 - June 2022	To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.
Trade and enterprise development for emerging community-bases tourism service providers/entrepreneurs. Actively develop tourism products and gain market access for participating service providers/entrepreneur	July - December 2021	Completion of market readiness development of 14 products/service providers
	July 2021 - June 2022	Identify and develop 2 additional community-based products within our marketing niche
	July 2021 - December 2022	Completion of production of professional marketing collateral for 16 products
	July 2021 - June 2022	Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products

	July 2021 - June 2022	Initiate a direct sales service to procure group and event bookings
	January - July 2022	Establish a satellite VS office focused on niche product sales
	June 2021 - July 2022	Offer a tourism focussed training programme for participating service providers and their staff
	June 2021 - July 2022	Offer ongoing business support to participating service providers



ANNEXURE B

Visit Stellenbosch Socio-Economic Development (SED)

1. Introduction

Visit Stellenbosch (VS) is committed to bringing about sustainable and measurable economic growth through tourism. In an equitable business environment this rationale would suffice, but the economic context of South Africa dictates that market growth alone will not necessarily translate into improved socio-economic conditions.

Although the tourism sector in Stellenbosch is very lucrative (pre Covid-19) its financial benefits are not being 'absorbed' equally. The inclusiveness of the consumption growth rate in the Stellenbosch tourism sector is very low and our objective is to bring about systemic change to address this. The issue is best described by the World Bank in its 2019 'Overview' (<https://www.worldbank.org/en/country/southafrica/overview>):

"South Africa remains a dual economy with one of the highest inequality rates in the world, which is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor. Furthermore, intergenerational mobility is low meaning inequalities are passed down from generation to generation with little change in inequality over time. Not only does South Africa lag its peers on level of inequality and poverty, it lags on the inclusiveness of consumption growth."

With inclusive economic growth as motivator, we have embarked on two long-term projects aimed at bringing about systemic change in the sector. Our SED strategy is purposed to equip, empower and include community based, previously disadvantaged and marginalised individuals and enterprises into the tourism economic stream, that we are endeavouring to widen.

We therefore refer to our strategy as 'socio-economic' in nature. This practically means that we are focused on realising meaningful social impact through the economic development objectives that are the main purpose of the organisation. These two aspects, economic development and social impact should therefore not be seen as two separate concepts, but rather as integrated, with economic development catalysing social impact through fair distribution of opportunity.

Our SED strategy is focused on two main objectives:

1. To promote and facilitate the employment of youth in the tourism sector in Stellenbosch, and to address the issues that disconnect youth from formal employment

2. To offer trade and enterprise support services to emerging community-based tourism service providers and to address the issues that prohibit their consumption of economic growth

All our SED activities are focussed on both short- and long-term objectives. In the short term our activities are purposed to direct opportunities and financial gain to the individuals and enterprises in the sector that have been identified as needing development support. Seen over a longer term, our projects are purposed to overcome the systemic issues that prohibit equitable economic consumption in the Stellenbosch tourism sector.

2. SED Projects Overview

During the July 2020 - June 2021 financial year we have made good progress with the establishment of our two main or 'flagship' SED projects. Both these projects have long term visions to address systemic issues and to assist multiple beneficiaries that enter, receive support and exit on an ongoing basis. We have therefore had a strong focus on strategy implementation, development of systems and the establishment of partnerships during this past financial year.

Herewith a summary of the VS SED projects:

Project Name	Objective
Youth Employment	Promote job readiness training and facilitate employment opportunities for youth by integrating colleges and formal employers in the tourism sector in Stellenbosch.
Trade and enterprise support to emerging community-based tourism enterprises	Promote trade and enterprise development for emerging community based tourism enterprises through product development and market access services.

2.1. Youth Employment Project

The VS youth employment project has two main objectives, the first is to encourage tourism employers to preferentially employ youth graduates from participating colleges (Bergzicht, PYDA and Stellemploy), and the second is to address the wider issues that prevent the successful employment of youth in the sector. These 'wider' issues include researching skills requirements in the sector, advancing employability training and supporting colleges to grow their uptake of NEETS (youth not in education and training).

As mentioned above, we have successfully completed the first phase of this project, which included the following deliverables:

- A joint project strategy was created with education partners and employers

- A formal study on the employment expectations of tourism employers have been initiated and will be completed at the end of 2021
- Job Readiness training has been supported and evolved in participating colleges
- A dedicated website has been created to connect college graduates with formal tourism employers to enable recruitment.

Our focus in the next financial year will be to further develop this long-term project and achieve the following objectives:

- To implement the newly created employment website in conjunction with participating colleges.
- To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report
- To offer support to participating colleges in the further development of their employability training offerings
- To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.

Herewith please find more details on the 2022 objectives of the VS Youth Employment project:

OVERVIEW	
To implement the newly created employment website in conjunction with participating colleges.	The implementation of the newly created website entails a number actions and multiple role players. Participating colleges have made staff available that will populate, update and manage the loading of their student candidate profiles. They will also update the site regularly as the site will cater for both short-term employment (on the job learning/practicals) during study periods, as well as full-time employment after the graduation of participating students. During this year we will orientate and train system users, iron out system errors and fully activate all the functionality of the website. This phase includes consultation, training workshops and further web development. A focus of this phase is the establishment of measurement reporting to track the success of the project.
To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report	We have embarked on a formal study (through Stellenbosch University) to establish the work and skill expectations that formal tourism employers have of youth entering the tourism workforce. The purpose of this study is to assist the participating colleges in the formulation of effective employability training curriculums and to address the perceptions and expectations that employers have on youth employees. The outcome of the study is a purposed report that will be shared with college directors and other stakeholders in a workshop styled interaction. The purpose of the report is to formulate an employability training strategy for youth in the tourism sector.

To offer support to participating colleges in the further development of their employability training offerings	We will be disbursing funds to the participating colleges, specifically for employability training provision. This will fund a range of lectures and workshops presented by subject experts. Over time we want to influence this study area in participating colleges and in the wider tourism environment, in order to bring about systemic change to the way youth is integrated into employment in the sector.
To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	Our youth employment website is employer 'centric' which means that a central focus point of the strategy is gaining users with the ability to offer employment directly. We will therefore embark on a focussed promotional campaign to attract usage from the formal tourism sector. This will be done in two ways, the first is a focussed communication campaign that includes reaching this market on a regular basis. The second is a personal lobby to steer employers towards giving preferential consideration to youth employee candidates as presented on the website.

2.2. Trade and Enterprise Development Project

The VS trade and enterprise development project has two objectives. The first is tourism product development and the second is the creation of market access for the participating product owners/service providers.

Our project is built on the fact that there is a growing international trend towards authentic tourism that offers historical overview, cultural experiences and real life inter-cultural connections. Our participating tourism service providers and products are uniquely positioned to fulfil this gap.

In addition, this gap intersects with the keen interest of local schools, universities, volunteer groups and non-profits, in the communities we work in. We refer to this opportunity as "social impact tourism".

Our objective is therefore to procure income opportunities for participating service providers through focussed market access initiatives in the cultural experience and social impact tourism niche markets.

Together with this objective we also offer comprehensive product development services that entail both the formalisation of the services, as well as the market readiness competent of the offerings.

This long-term project is focussed on establishing community-based tourism products in the market and to assist the service providers to operate these products professionally and sustainably. In addition we aim to stimulate secondary enterprise development based on tourism traffic in the various

communities and to create community-based employment through the development of participating enterprises.

We have made good progress and the following was achieved to date:

- 14 products have been identified and are at various levels of development
- A dedicated website and online booking system has been created
- We have made good progress with the development of professional marketing collateral for each participating product
- Product sales have been initiated
- 7 tour guides have been trained and registered, bringing our count of participating service providers that are tour guides to 14

Our focus in the next financial year will be on the further development of the projects with the following objectives:

- To bring the 14 products to a level of professional "market readiness"
- To identify and develop an additional 2 new products
- To launch a dedicated international and local product promotional campaign
- To initiate a direct sales service to procure group and event bookings
- To further develop our dedicated booking service
- To establish a satellite VS office focused on niche product sales
- To offer a tourism focussed training programme for participating service providers and their staff
- To offer ongoing business support to participating service providers

Herewith please find more details on the 2022 objectives of the VS Trade and Enterprise Development project:

ACTION	OVERVIEW
Completion of market readiness development of 14 products/service providers	We have made great strides in the overall development of the products we have identified. We are now busy with refining or "market readiness" development. This entails the achievement of a list of market expectations that span every aspect of the product and it's presenting service proving enterprise. In many cases this entails investment in direct product requirements (equipment), research, testing and formulating of experience narratives (tour scripts) and many other unique issues that each service provider faces. We hope to conclude this aspect of development for the first 14 products during this financial year.
Identify and develop 2 additional community-based products within our marketing niche	We aim to add two new products to the project annually. The two newly identified products will follow our development process that is now well established.

Completion of production of professional marketing collateral for 16 products	Tourism is very marketing intensive and require a host of marketing collateral, Our objectives here would be to firstly update existing collateral and secondly to produce collateral for products still in development.
Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products	We will be implementing two promotional campaigns, one targeting the international tourism market (for sale of cultural experiences) and the other targeting local markets (social impact experiences). The campaigns will include travel activations (mostly online at this stage), email and social media marketing, brochure distribution and promotional product 'test' presentations.
Initiate a direct sales service to procure group and event bookings	We will be launching a direct sales effort to procure real-time market access for service providers through a direct sales and reservations service.
Establish a satellite VS office focused on niche product sales	We will be establishing a satellite office at "The Hub" in Stellenbosch to serve as an access point for experience departures and a focus on the promotion of our products.
Offer a tourism focussed training programme for participating service providers and their staff	We will be presenting a multi-faceted training curriculum to participating service providers focused on tourism service provision. Topics such as client services, communication, tour leadership, safety, first aid, risk mitigation and administration will be included in the programme.
Offer ongoing business support to participating service providers	We will be offering business support services to participating service providers on an ongoing basis. This includes issues such as financial management, formalisation of enterprises and other related business needs.

3. Projects Summary, Budget & Timelines

Herewith please find a project summary and budget for the 2021/2022 VS SED projects:

BUDGET		
PROJECT	DELIVERABLES	COST
Youth training and employment development in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	To implement the newly created employment website in conjunction with participating colleges.	R30 000
	To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report	R20 000
	To offer support to participating colleges in the further development of their employability training offerings	R90 000
	To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.	R60 000
SUB TOTAL		R200 000
Trade and enterprise development for emerging community-based tourism service providers/entrepreneurs. Actively develop tourism products and gain market access for participating service providers/entrepreneur	Completion of market readiness development of 14 products/service providers	R70 000
	Identify and develop 2 additional community-based products within our marketing niche	R40 000
	Completion of production of professional marketing collateral for 16 products	R140 000
	Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products	R300 000
	Initiate a direct sales service to procure group and event bookings	R200 000

	Establish a satellite VS office focused on niche product sales	R60 000
	Offer a tourism focussed training programme for participating service providers and their staff	R60 000
	Offer ongoing business support to participating service providers	R30 000
SUB TOTAL		R900 000
TOTAL		R1 100 000

Timelines:

SOCIAL ECONOMIC DEVELOPMENT PROGRAMMES		
AIM / OBJECTIVE	BY WHEN	PERFORMANCE TARGETS
Youth training and employment development in the tourism sector. Actively influence and develop training and employment opportunities for youth by integrating colleges and employers in the tourism sector in Stellenbosch.	July - September 2021	To implement the newly created employment website in conjunction with participating colleges.
	July - December 2021	To complete the formal study on the employment expectations of formal tourism employers and to deliver the findings to the participating colleges in a purposed report
	July 2021 - June 2022	To offer support to participating colleges in the further development of their employability training offerings
	July 2021 - June 2022	To promote the newly developed employment website to formal tourism employers through a dedicated marketing and personal lobbying campaign.
Trade and enterprise development for emerging community-bases tourism service providers/entrepreneurs. Actively develop tourism products and gain market access for participating service providers/entrepreneur	July - December 2021	Completion of market readiness development of 14 products/service providers
	July 2021 - June 2022	Identify and develop 2 additional community-based products within our marketing niche
	July 2021 - December 2022	Completion of production of professional marketing collateral for 16 products
	July 2021 - June 2022	Design and launch international and local promotional campaigns focussed on the sale and promotion of our niche products

	July 2021 - June 2022	Initiate a direct sales service to procure group and event bookings
	January - July 2022	Establish a satellite VS office focused on niche product sales
	June 2021 - July 2022	Offer a tourism focussed training programme for participating service providers and their staff
	June 2021 - July 2022	Offer ongoing business support to participating service providers



Managed by



ANNEXURE C



ABOUT DWARSRIVIER:

Dwarsrivier, named such because of the Dwarsrivier that runs through it from top to bottom, boasts exquisite natural beauty and dramatic mountain-scapes and a certain mysterious presence in its history, its stories, trials and tribulations. From the blood sweat and tears of slavery galloping through the rocky walks of life until the day of today where the merger between the old and the new worlds become evident, Dwarsrivier has so much to offer and to be packaged.

The Dwarsrivier Valley serves as a triumphant example of the way forward. Here we can experience a unique balance between pure historical Cape Culture and modern-day lifestyles of wellness, gourmet foods and fine wines. The valley has what it takes to satisfy the humanitarian, the socialite, the nature lover, the historian, the adventurous spirit and certainly the connoisseur.

Dwarsrivier has so many treasures and heaps of potential to be developed as a tourism hotspot in collaboration with the different communities and role-players. There is lots of work to be done.

VISIT STELLENBOSCH

Visit Stellenbosch has been appointed to assist with the management and marketing of the destination. Visit Stellenbosch has a strong and proven reputation for connecting all tourism sectors and socio-economic initiatives to create a compelling and unique place experience for locals and visitors throughout the year.



STAKEHOLDER ENGAGEMENT

Visit Stellenbosch recognises that community buy-in is at the centre of any decisions about tourism planning and development. Stakeholders are affected in different ways by tourism development, so understanding diverse perspectives of stakeholders and how they are affected is critical for constructively engaging communities in planning, and designing an effective strategy, in this case, is not straightforward.

Visit Stellenbosch is pro-actively meeting with all the role players and service providers across all the sectors (not only tourism), to understand their goals and get their buy-in and support for an effective tourism and place brand strategy.

PROJECTS

Dwarsrivier: Research, Brand Development and Marketing / Communication Strategy

DWARSRIVIER TOURISM RESEARCH, BRAND DEVELOPMENT AND MARKETING/COMMUNICATION STRATEGY

AIM / OBJECTIVE	PERFORMANCE TARGETS	
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	In order to develop a Destination brand and strategy extensive research must be completed with the regards the resources, products and service providers. Secondary research must be done to understand the source markets and visitor personas to develop an effective marketing plan. Research will determine what products and skills are available and to what extent these can be packaged or alternatively require training, development or market readiness assistance.	R 50,000
	Compile a full Brand DNA report including mission, vision, objectives, goals, define audiences, target markets, brand personality, tone of voice, ambitions, etc. Develop all brand elements and assets in a toolkit, include logo, taglines, key messaging, imagery, etc. Refresh a website and implement a website marketing strategy, etc. Refresh social media channels and drive presence.	R 100,000
	TOTAL REASEACH AND DEVELOPMENT	R 150,000

Dwarsrivier: Information Centre

DWARSRIVIER INFORMATION CENTRE		
AIM / OBJECTIVE	PERFORMANCE TARGETS	
Offer and operate a Visitor Information Centre providing a frictionless visitor Experience	Operate a visitor centre: The Visitor services centre provide information and aid to any current or potential tourists within a destination and its surrounding areas.	R 200,000
	The centre acts as the main point of contact for tourists' travel planning inquiries, as well as a place where local businesses and travel agencies can go to promote their products and services.	
	The visitors centre is staffed by a Visitor Information Liaison, all upskilled to provide additional admin and event support.	
	The visitor centre collects key data (visitor numbers, requirements, destination of origin, etc)	
	Shared operational costs including telephone, internet, cleaning, security, etc.	
	Marketing: invest in marketing opportunities, printed and digital collateral to support the promotion of Destination Dwarsrivier	R 100,000
TOTAL VISITOR CENTRE		R 300,000

Dwarsrivier: Projects

EVENT: GARDEN WEEK		
AIM / OBJECTIVE	PERFORMANCE TARGETS	BUDGET
Linking in with garden day and Garden Week Stellenbosch, Dwarsrivier plans to activate on various fronts. Using events to create economic opportunities and showcase the treasures of the valley.	Garden Tours: Assist and support private gardeners to get their gardens ready to be included in the Private Garden Tours, signage, collateral, maps, admin and logistical assistance.	R 10,000
	Programme and workshops: Offer a speaking programme and several showcases such a chrysanthemum growing workshop, open garden at Johannesburg and other well-known gardens in the area.	R 20,000
	Community social cohesion: Activate several celebratory events, celebrating gardening on 17 September. Invite members of the communities and general public to attend an event to share cultures and experiences and customs.	R 20,000
SUB TOTAL		R 50,000
EVENT: OTHER EVENTS		
AIM / OBJECTIVE	PERFORMANCE TARGETS	BUDGET

Use events to drive positioning, economic opportunities and destination visibility for Dwarsrivier.	Adam Small Festival: A celebration of Small's contribution to Afrikaans; paying tribute to the life and times of Adam Small and celebrating Small's contribution to Afrikaans by various poets, writers and more. Event logistics and collateral, marketing, photography, speakers programme	R33,000
	Chrysanthemum Festival: An highlight on the Dwarsrivier calendar - young and old, should attend the Chrysanthemum Exhibition held at the Pniel Tea Garden and Museum. The day includes the exhibition and selling of the beautiful chrysanthemums, info sessions and delicious home-made treats for sale. Event logistics and collateral, marketing, photography, speakers programme.	R 34,000
	Slawedag / Slaveday: Every first of December annually the community of Pniel in the Dwarsrivier Valley, commemorates the Freedom of the Slaves. Event logistics and collateral, marketing, photography, speakers programme.	R33,000
SUB TOTAL		R 100,000

Total Projects		R150,000
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BUDGETS AND RESOURCES

Sources of Income

The following are the anticipated trends and assumptions in Visit Stellenbosch's main sources of income which form the basis for the budget projections.

Grants and Donations

- Stellenbosch Municipality operational grant funding of R 600,000 in 2021/2022 is required, thereafter the grant funding should be sustained and increased for expansion.
- Cape Winelands District Municipality (grants) ringfenced for specific projects and not part of operation income/expenditure of R 250,000.

Marketing Sponsorships

- Project sponsorships are actively being sought. Covid-19 legislation will determine whether events are permitted. Sponsorships are sought on event or project basis.

Members

- No membership income currently collected/received

Commercial Activities

Unfortunately, the scope for income from commercial activities is extremely weak in the 2021/2022 financial year.

Total Estimated Income For 2021/2022: R 850,000



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

CREDITOR CONTROL FORM / KREDITEUR KONTROLE VORM

NAAM/NAME	Visit Stellenbosch NPC		
ADRES/ADDRESS	47 Church Street Stellenbosch		
POSTAL ADRES	47 Church Street	POSKODE/POST CODE	7600
POSADDRESS	Stellenbosch		
TEL	021 886 4310	POSKODE/POST CODE	7600
FAX/FAKS			
CONTACT PERSON/ KONTAKPERSOON	Lizelle Vos		
CELL/SEL	082 32 82 528		
E-MAIL / E-POS	finance@visitstellenbosch.org		
BANK:	Nedbank		
ACCOUNT NO. / REK NR.	119 120 1414		
BRANCH CODE/TAKKODE	198765		
BANK ACCOUNT NAME	Visit Stellenbosch NPC		
BANKREKENING NAAM	Visit Stellenbosch NPC		



ACCOUNT TYPE / TIPE REK	CHEQUE/TJEK ☒	SAVINGS/SPAAR ☐	TRANSM ☐
VAT REGISTERED / BTW GEREISTREER	YES/JA ☒	NO/NEE ☐	VAT/BTW NO 471 028 9002

SIGNATURE / HANDTEKENING

OFFICE USE/KANTOORGEBRUIK	
KREDITEUR NR / CREDIT NO	
Create a new creditor/Skep van nuwe Krediteur	
Changing of creditors details/Verandering op Krediteurinligting	
Deleting of creditor/Uitwis van Krediteur	
AANGEVRA DEUR REQUESTED BY:	DATE/ DATUM
DEPARTEMENT DEPARTMENT:	
MOTIVATION MOTIVERING:	
ENTERED BY INGEVOER DEUR:	DATE/ DATUM
CHECKED BY GEKONTROLEER DEUR:	DATE/ DATUM



April 2021 report - Stellenbosch Municipality

1. Visit Stellenbosch youth training and employment programme

Youth training and employment in the tourism sector

- Joint strategy with education partners and employers.
- Advancement of employer-led training practices and curriculums.
- Establish formal sector employment channels
- Improve professionalism and service standards of employed youth
- Online learning and data access support to our partner colleges
- Audio video safety lectures and instructions for broadcast to employees.

- Youth Employment Programme schedule and an update on progress accordingly:

Joint strategy with education partners and employers

The strategy is finalised and well communicated. This deliverable is completed. We will however adjust the strategy as it is a living document. Our experience and practical application of the strategy will constantly be monitored and evaluated.

No further action was taken in March/April.

Advancement of employer-led training practices and curriculums

The study has advanced substantially and the research proposal is currently being drafted. A consultation was done with Professor Peter Rule who is supervising the study. A list of participants have been drafted.

Establish formal sector employment channels

We were hoping to finalise the website in March, but the stakeholders have requested we add more functionality. We have had two consultations with the participating college directors this month and the design and functionality summary has been updated and sent for final comments. The site will now also include more sectors relevant to your employment.

We are making good progress and hope to go into production shortly.

Improve professionalism and service standards of employed youth

This will be further discussed when it becomes relevant.

Online learning and data access support to our partner colleges

The last disbursement has been approved and will be paid to the college.

Audio video safety lectures and instructions for broadcast to employees.

The last disbursement has been approved and will be paid to the college.

2. Sustainable wine tourism strategy:

A curated year-long programme of events and experiences in lifestyle and purists' formats

- Stellenbosch Wine Festival in winter programme (wine festival in a box virtual showcase)
- Series of wine masterclass (Wine School) experiences in off-peak periods. Stellenbosch remains top of mind
- Design programme around wine and food pairing events and tastings
- Increased wine sales via Stellenbosch Wines.
- Operational and logistical support for local wine related events (collaborations)

○ Events:

Stellenbosch Wine Routes is celebrating their 50-year anniversary and the Events committee is busy with an event framework for the celebrations – more will be shared as the time goes on. A 50-year celebration box was sent to various media journos, influencers and wine colleagues.



Stellenbosch

Published by Christine Sanvido · April 10 ·

Stellenbosch Wine Routes in partnership with Toyota US Woordfees will be hosting a Flicker & Flash Street Soiree TODAY, Saturday 10 April, in Ryneveld Street (between Plein and Church Street)

Time: 16h00 - 18h00.

Tickets: R150 pp and includes a glass and 10 tasting tokens

Tickets available via plankton: <https://bit.ly/3rRnM28>... See More



A Flicker and Flash Street Soiree in conjunction with Woordfees, Visit Stellenbosch and Stellenbosch Wine Routes to have a Street Soiree on the 10th of April.

The event was a success and 300 people attended the event.

3. Tasting Stellenbosch:

- Deliver a series of virtual events to remain top of mind during a time of consumer reluctance to travel
- Activate a loyalty plan for restaurants and wine farms around Stellenbosch
- Deliver a Stellenbosch restaurant value added programme to aid in economic recovery process post COVID-19
- Host “Secret Food Events” in off-peak periods
- Coordinate and assist Stellenbosch Restaurants with emergency food aid to children in impoverished communities

- The Stay and Play in Stellenbosch campaign has been extended until end September: Restaurants had the opportunity to list a 2-course meal as part of accommodation packages. These packages include a 2-night stay, wine tasting, lunch/dinner and an activity, the accommodation establishment do all the bookings on behalf of the guests. All packages can be found here: <https://www.visitstellenbosch.org/plan-your-visit/packages/>

4. Stay in Stellenbosch:

- Deliver a series of virtual events to remain top of mind during a time of consumer reluctance to travel
- Activate a loyalty plan for restaurants and wine farms around Stellenbosch
- Deliver a Stellenbosch restaurant value added programme to aid in economic recovery process post COVID-19
- “Sunday Stays” in Stellenbosch package
- Aggressive campaign hosting tour operators, media and influencers educational,

- Insider Itineraries developed for Stellenbosch on Foot, Stellenbosch and Art, Stellenbosch Outdoor and Adventure, Stellenbosch Pinotage Root, Stellenbosch Wining and Dining and other themes. - Ongoing
- [Stay and Play in Stellenbosch](#): Extended until September 2021
This campaign sets its sights on attracting Cape Town and beyond to stay and play in the warm heart of the Winelands by putting pocket-friendly packages together targeting locals seeking to escape the city over the festive season. Packages on offer include fabulous foodie weekend getaways, sculpture garden and wine tasting breaks and overnight stays on beautiful wine estates among others. See all [Stay and Play in Stellenbosch packages here](#)

We also invited bloggers and journalists to come and explore Stellenbosch, more hosting's are being planned:

The Frankfurter, a bi-lingual and luxurious publication in Frankfurt, Germany (home of Europe's largest airport and city that has a huge expat community) was hosted on 25 and 26 April. A South Africa travel special will be published in September 2021 in The Frankfurter (media value €12,870 / ca. R244,530)

5. Meet in Stellenbosch:

- Host virtual annual Business Tourism Workshop
- Develop a dedicated website with MICE info and packages – linked to business desk in VIC
- Establish business desk in VIC

- Working on a Business Tourism Strategy and developing a meeting planner guide which will give Stellenbosch a competitive edge when bidding for conferences to Stellenbosch. – ongoing
- Developed a dedicated website with MICE info and packages – in progress in the visit Stellenbosch website. [Support Stellenbosch](#): The aim of the Support Stellenbosch website as a new online marketing platform, is to provide exposure and access to market for local SME's from all Stellenbosch communities. The platform covers a comprehensive list of businesses in a wide variety of sectors. Search by community or industry and find a product or service for your every need!

6. Tourism Intelligence:

Articulated measures-of-success and key data metrics for the successful planning and execution of programme activities

- Appoint strategic research partner
- Bi-annual visitor surveys and quarterly industry occupancy surveys

- Received first report from Tourism Sentiment Index gaining valuable information regarding Tourism sentiments regarding Stellenbosch. This report is co-funded by Wesgro and Stellenbosch Publicity and Marketing but will provide valuable information in creating a suitable intelligence report system.

7. Experience Stellenbosch:

Position Jonkershoek as a 2nd tier destination to Table Mountain National Park. Build it into the chrome of the overall marketing message of Visit Stellenbosch

- An easy-to-use cycling and hiking map for the area
- Host "Wild Weekends" in off-peak periods
- Re-ignite "Last Thursdays / First Fridays"
- A support function for art major exhibitions, galleries and museums

- Coordinate strategy and planning for future collaboration with Stellenbosch Cycling.
- [Stay and Play in Stellenbosch](#): Extended until September 2021
The campaign sets its sights on attracting Cape Town and beyond to stay and play in the warm heart of the Winelands by putting pocket-friendly packages together targeting locals seeking to escape the city over the festive season. Packages on offer include fabulous foodie weekend getaways, sculpture garden and wine tasting breaks and overnight stays on beautiful wine estates among others. See all [Things to do](#)

8. Visitor Information Centre

Offer and operate a Visitor Information Centre providing frictionless visitor Experience

- Up to date local products/supplier information database
- Tourism Awareness Training
- Customer Services Training
- Mystery Shopper Programme implementation
- Continuous development of packages according to themes.
- Educational

- Visit Stellenbosch has built a detailed product fact sheet of members for the industry, Updating the local products/supplier information database – ongoing, information updated daily.
- The Information office is open for locals and tourists with all COVID-19 protocols in place. Staff has been split into two shifts to minimize contact and following very strict COVID guidelines.

Tourism Business Improvement District

- Safety Programme for Stellenbosch CBD
- Collaborate and work with partner to Design tourism safety protocols

- A security company, EPP, has been appointed to monitor Stellenbosch CBD. Guards are located on various spots around Church street.
- A standard safety card has been designed and distributed, COVID protocols collateral has also been shared with all the members and once signing up for Stellenbosch Ready they also received Front and Back end facing posters indicating all protocols.

Creating enabling business services to members in supporting them to be competitive, sustainable and transformed

- Creating compelling content, telling the story of Stellenbosch from different angles
- Events advisory service
- Media and Trade educational

- Member business development and networking sessions – ongoing, newsletters are going out twice a month.
- Event advisory service – ongoing

Awareness and conversion:

- Office consumables, hard costs for telecommunication, legal and financial fees, insurance, IT, Security

Visitor Information and experience centre

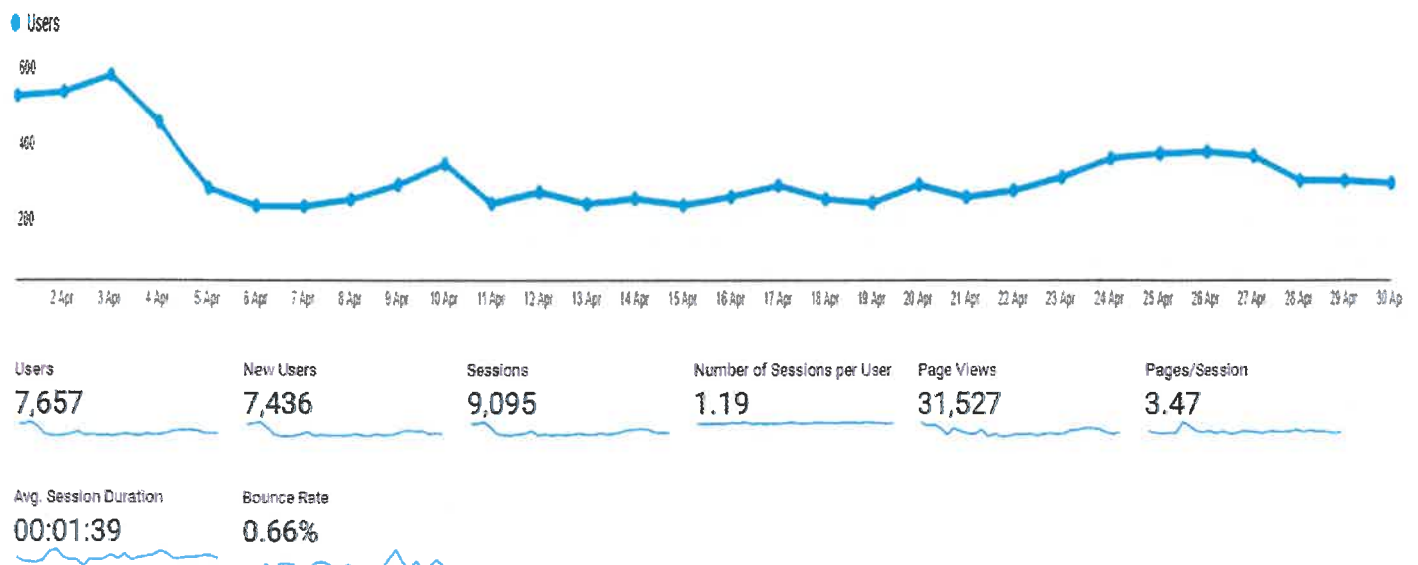
Website: Proving a destination marketing portal with a booking portal

- Easy to use, convenient, practical and helpful source of information
- An up to date and online calendar
- Design and develop a smart booking portal enabling direct, online booking facilities
- Track and analyse data

- Online booking portal – with Nightsbridge.
- Visit Stellenbosch Events and Members Calendar is being updated on a daily basis or as events and meetings are being uploaded.

<https://www.visitstellenbosch.org/events-in-stellenbosch/>

- Website Analytics



Blogs/ Stories:

<https://www.visitstellenbosch.org/vegan-and-vegetarian-restaurants-in-stellenbosch/>

<https://www.visitstellenbosch.org/the-top-14-hidden-gems-on-the-path-less-travelled-in-stellenbosch/>

<https://www.visitstellenbosch.org/stellenbosch-wine-routes-celebrates-half-century-of-leadership-and-innovation/>

<https://www.visitstellenbosch.org/stellenbosch-outdoor-activities-made-just-for-you/>

<https://www.visitstellenbosch.org/spoil-mom-in-stellenbosch-this-mothers-day/>

<https://www.visitstellenbosch.org/call-it-by-its-name-501y-v2/>

Stellenbosch Marketplace / Handmade in Stellenbosch

- Create an online marketplace where entrepreneurs can list and sell their goods.
- Connect people from several sectors
- Promote local products and services
- Mentorship and assistance programmes by leaders in the tourism and business-related sectors

- Create an online marketplace where entrepreneurs can list and sell their goods – <https://supportstellenbosch.org/>
- Every second Wednesday we feature a Stellenbosch local/ business on our social media pages.



9. Support, Restart and Re-Imagine Tourism for Stellenbosch and its Tourism Sector

- Deliver a toolkit
- Best practices guide, online assistance and tools
- Health and Safety Training
- Mentorship and guidance
- Support Stellenbosch Local Campaign
- Love where you live – treasure hunt style online application

- Deliver a toolkit - A marketing and communication plan to unify our efforts and pave the road to recovery for tourism in guide can be found here: [VS Marketing Toolkit Guide](#)
- Best practices guide, online assistance and tools- <https://members.visitstellenbosch.org/member-resources/stellenbosch-ready/>

All members have access to the members portal where toolkits on new campaigns are regularly shared, we have recently also added a notice board for all important information to the members.

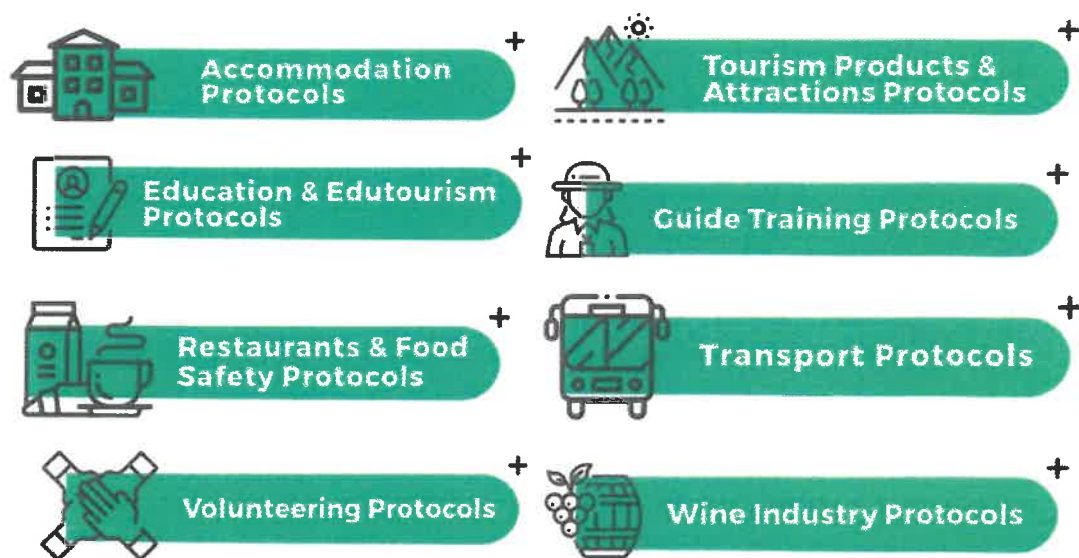
- Health and Safety Training – [Bergzicht Training](#)

Stellenbosch Ready

The Stellenbosch Ready programme is a self-regulatory programme based on the approved protocols for Stellenbosch. These protocols are aligned with the TBCSA recommended protocols and subsequently validated by the WTTC. We expect members to adhere to, and implement the approved protocols. TBCSA will perform spot-checks from time-to-time to verify compliancy. Stellenbosch Ready will also encourage visitors and guests to engage with us regarding feedback, concerns and compliments. To assist our members, Visit Stellenbosch will continuously update all members with updates on the rules and regulations in the industry.



Our COVID-19 Recovery Team has been hard at work to look at the present and its demands, as well as a new world order. Visit Stellenbosch developed a robust set of protocols for all the sectors to mitigate the impact and illustrating our readiness to de-risk the sectors.



All our members have access to the members portal where they will find the following information:

[COVID- 19 Protocols](#)

[Stellenbosch Ready Business Ready Checklist](#)

[Stellenbosch Ready: a currency of trust programme are you ready?](#)

We have received 110 Stellenbosch Ready pledges:

<https://www.visitstellenbosch.org/stellenbosch-ready/stellenbosch-ready-members/>

10. Social Media

Facebook Stats for April:

Actions on Page

April 6 - May 3

5

Total Actions on Page ▼69%



Page Views

April 6 - May 3

1,607

Total Page Views ▼20%



Page Likes

April 6 - May 3

219

Page Likes ▼52%



Post Reach

April 6 - May 3

25,318

People Reached ▼76%



Story Reach

April 6 - May 3

1,234

People Reached ▼15%



Recommendations

April 6 - May 3

1

Recommendations ▲100%



Post Engagement

April 6 - May 3

4,438

Post Engagement ▼65%



Videos

April 6 - May 3

332

3 Second Video Views ▼69%



Page Followers

April 6 - May 3

223

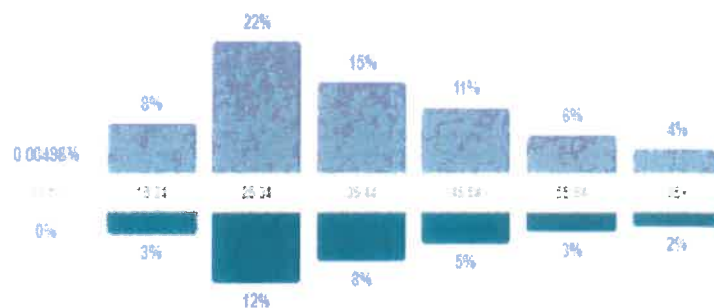
Page Followers ▼54%



Women

66%
People Reached

Men

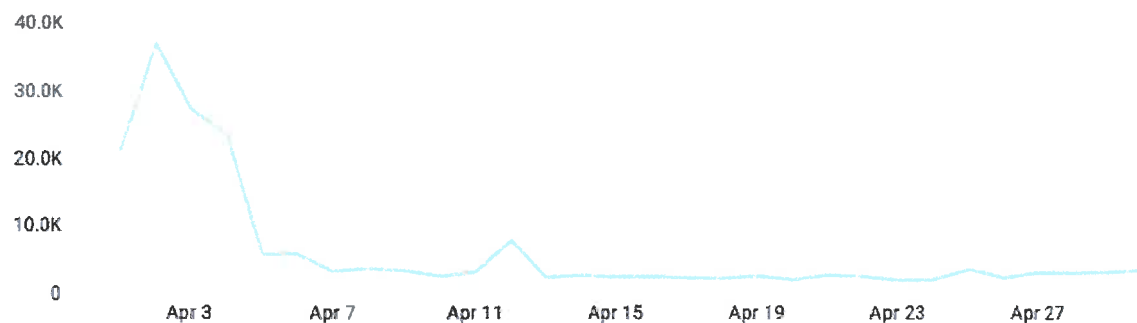
34%
People Reached

Trends

Export ▼

Facebook Page Reach

131,455 ↑ 34.7%



Top Performing Facebook Posts

Content

Sort by: Reach ▼



Sat Apr 3 10:03am
When the long weeke...
 Reach 7.4K



Sat Apr 10 12:00am
Stellenbosch Wine R...
 Reach 6.4K



Tue Apr 6 9:08am
He is often referred t...
 Reach 4.6K



Sat Apr 24 10:31pm
As summer turns into...
 Reach 3.8K



Thu Apr 8 7:09am
It's almost the weeke...
 Reach 2.6K



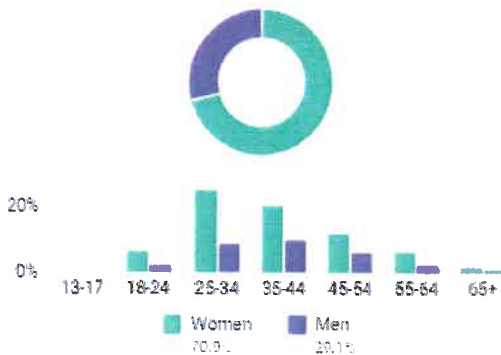
Wed Apr 21 6:17am
Whether it's Food and...
 Reach 2.4K

Instagram Stats for April:

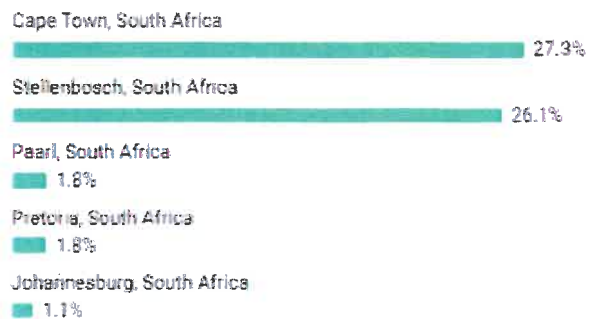
Instagram Followers

3.4K

Age & Gender



Top Cities



Top Performing Instagram Posts



The lesser-known members of the @glenelly_est . Boost Post April 24, 2021 at 10:00 AM

1,177
 People Reached



Cheers to sunny autumn days, amazing wine wit . Boost Post April 30, 2021 at 4:51 PM

977
 People Reached



He is often referred to as the Mad Gin Sci Boost Unavailable April 6, 2021 at 6:05 PM

950
 People Reached



Cake is always a good idea! Especially of a M . Boost Post April 26, 2021 at 12:16 PM

926
 People Reached



@gate_at_Quom rock restaurant and Hea.. Boost Unavailable April 10, 2021 at 10:00 AM

844
 People Reached

Thank You



Visit Stellenbosch

Management Statements for the period 01/07/2020 – 31/06/2021

	Note	Budget for the period 01/07/2020 to 30/06/2021	Budget for the period 01/07/2020 to 30/04/2021	Actual for the period 01/07/2020 to 30/04/2021	Variance for the period 01/07/2020 to 30/04/2021
Projects					
Visit Stellenbosch youth training and employment programme					
Municipal grant -		R 200 000,00	R 200 000,00	R 160 000,00	R 40 000,00
Expenses		R -200 000,00	R -200 000,00	R -160 000,00	R -40 000,00
Net income / (loss)		-	R -	R -	R -
Sustainable wine tourism strategy					
Municipal grant		R 400 000,00	R 366 666,67	R 360 000,00	R 6 666,67
Expenses		R -400 000,00	R -366 666,67	R -360 000,00	R -6 666,67
Net income / (loss)		-	R -	R -	R -
Tasting Stellenbosch					
Municipal grant		R 80 000,00	R 73 333,33	R 75 000,00	R -1 666,67
Expenses		R -80 000,00	R -73 333,33	R -60 000,00	R -13 333,33
Net income / (loss)		-	R -	R 15 000,00	R -15 000,00
Stay in Stellenbosch					
Municipal grant		R 80 000,00	R 73 333,33	R 68 000,00	R 5 333,33
Expenses		R -80 000,00	R -73 333,33	R -44 000,00	R -29 333,33
Net income / (loss)		-	R -	R 24 000,00	R -24 000,00
Meet in Stellenbosch					
Municipal grant		R 80 000,00	R 73 333,33	R 65 000,00	R 8 333,33
Expenses		R -80 000,00	R -73 333,33	R -50 000,00	R -23 333,33
Net income / (loss)		-	R -	R 15 000,00	R -15 000,00
Tourism Intelligence					
Municipal grant		R 100 000,00	R 91 666,67	R 90 000,00	R 1 666,67
Expenses		R -100 000,00	R -91 666,67	R -80 000,00	R -11 666,67
Net income / (loss)		-	R -	R 10 000,00	R -10 000,00
Visit Stellenbosch Visitor Information Centre					
Income		R 2 180 000,00	R 1 998 333,33	R 1 856 666,80	R 141 666,53
Municipal grant		R -2 180 000,00	R -1 998 333,33	R -1 886 666,80	R -111 666,53
Expenses		-	R -	R -30 000,00	R 30 000,00
Net income / (loss)		-	R -	R -	R -

Visit Stellenbosch

Management Statements for the period 01/07/2020 – 31/06/2021

		Budget for the period 01/07/2020 to 30/06/2021	Budget for the period 01/07/2020 to 30/04/2021	Actual for the period 01/07/2020 to 30/04/2021	Variance for the period 01/07/2020 to 30/04/2021
	Note				

Projects

*Preliminary Balance carried over on 01/05/2021

R 34 000,00

R -2 640 666,80

Certificate issued by the Commissioner of Companies & Intellectual
Property Commission on Friday, September 4, 2020 at 11:01



Companies and Intellectual
Property Commission
a member of the dti group

Disclosure Certificate: Companies and Close Corporations

Registration Number: 2019 / 304510 / 08
Enterprise Name: VISIT STELLENBOSCH

ENTERPRISE INFORMATION

Registration Number 2019 / 304510 / 08
Enterprise Name VISIT STELLENBOSCH NPC
Registration Date 19/06/2019
Business Start Date 19/06/2019
Enterprise Type Non Profit Company
Enterprise Status In Business
Compliance Notice Status NONE
Financial Year End June

TAX Number 9597737189

Addresses	<u>POSTAL ADDRESS</u>	<u>ADDRESS OF REGISTERED OFFICE</u>
	SUITE 224 POSTNET X 5061 STELLENBOSCH 7599	47 CHURCH STREET STELLENBOSCH 7600

ACTIVE MEMBERS / DIRECTORS

Surname and First Names	Type	ID Number / Date of Birth	Contrib. (R)	Interest (%)	Appoint. Date	Address
RATCLIFFE, MICHAEL STANSFIELD	Director	7210305173088	0.00	0.00	19/06/2019	Postal: VILAFONTE, UNIT 7C, BOSMAN CROSSING, LOWER DORP STREET, STELLENBOSCH, Residential: LITTLE WEDGE FARM, IDAS VALLEY, STELLENBOSCH, 7600
MOMBERG, JEANNERET	Director	6807160026086	0.00	0.00	19/06/2019	Postal: P O BOX 66, STELLENBOSCH, 7600 Residential: MIDDELVEI WYNLANDGOED, FLAMINGO STREET, STELLENBOSCH, 7600
BASSON, JAKOBUS WILHELM	Director	5807045119081	0.00	0.00	19/06/2019	Postal: P O BOX 12837, DIE BOORD, 7613 Residential: KLEINE ZALZE ESTATE, STELLENBOSCH, 7600

AUDITOR DETAILS

Auditor Name	Type	Status	Appointment Date	Resignation Date	Email Address
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Profession Number:



Certificate issued by the Commissioner of Companies & Intellectual
Property Commission on Friday, September 4, 2020 at 11:01



Companies and Intellectual
Property Commission
a member of the dti group

Disclosure Certificate: Companies and Close Corporations

Registration Number: 2019 / 304510 / 08

Enterprise Name: VISIT STELLENBOSCH

CHANGE SUMMARY

19/06/2019 Registration of CC/CO on 19/06/2019.

09/06/2020 Status changed to Unknown.
No Valid SMS or Email Address for enterprise K2019304510

03/09/2020 Annual Return completed on 03/09/2020.
Company / Close Corporation AR Filing - Web Services : Ref No. : 5297847822



Physical Address

the dti Campus - Block F
77 Meintjies Street
Sunnyside 0001

Postal Address: Companies

P O Box 429
Pretoria
0001

Docex: 256

Web: www.cipc.co.za

Contact Centre: 086 100 2472 (CIPC)

Contact Centre (International): +27 12 394 9573





TAX COMPLIANCE STATUS

PIN Issued

VISIT STELLENBOSCH
PO BOX 57
STELLENBOSCH
7600

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9597737189

Always quote this reference
number when contacting SARS

Issue Date: 2020/11/03

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Visit Stellenbosch
Trading Name	VISIT STELLENBOSCH
Tax Reference Number(s)	IT - 9597737189 Vat - 4710289002 PAYE - 7150806836
Purpose of Request	Good Standing
Request Reference Number	0043935858GS0311200942082
PIN	16F3G672ET
PIN Expiry Date	03/11/2021

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely

ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

APPENDIX 4

Evaluating the impact of the Support Stellenbosch campaign

Prepared for Visit Stellenbosch

March 2021

Introduction

Looking back over the past year, the hospitality sector is undoubtedly one of the industries that has been hardest hit by the COVID-19 pandemic. SA's strict nationwide lockdown, including the prohibition of non-essential services during the first alert levels, had a devastating impact on restaurants in particular.

Together with the rest of South Africa, the local economy of Stellenbosch has come under a lot of pressure. Not only did the town suffer because of the absence of tourists and students, but the alcohol ban and curfews also had a profound negative effect on the town's restaurants and wine farms. Given the integrated nature of both domestic and international tourism in the town's economy it is difficult to overstate the devastation caused by the COVID-19 pandemic.

Furthermore, behavioural changes due to fear of contagion, as well as massive hits to household income reduced the demand for sit-down meals at restaurants, resulting in severe job losses.

As part of an economic recovery plan, Visit Stellenbosch – the official destination marketing organisation of Stellenbosch – identified the labour-intensive tourism and hospitality industry as a quick win in terms of re-employing low- and semi-skilled workers, or at least securing existing jobs.

Visit Stellenbosch realised that it was essential to stimulate this industry by injecting cash flow into the value chain, increase demand, and reduce the fear of consumers of contracting COVID-19. The economic multiplier (i.e. the impact of the tourism industry on other sectors and the rest of the economy) is significant. Through the **Support Stellenbosch** campaign Visit Stellenbosch found an innovative way of helping to stimulate much needed economic activity.

Visit Stellenbosch and the University of Stellenbosch, commissioned the BER to do a high-level assessment of the effectiveness of the Support Stellenbosch campaign. The purpose of this report is not to provide a detailed socio-economic impact assessment of the campaign. Instead, we look at available data to determine if there is evidence of whether the campaign had a marked impact on the restaurants that were involved. This information can be used to support future decision-making around similar campaigns.

Background

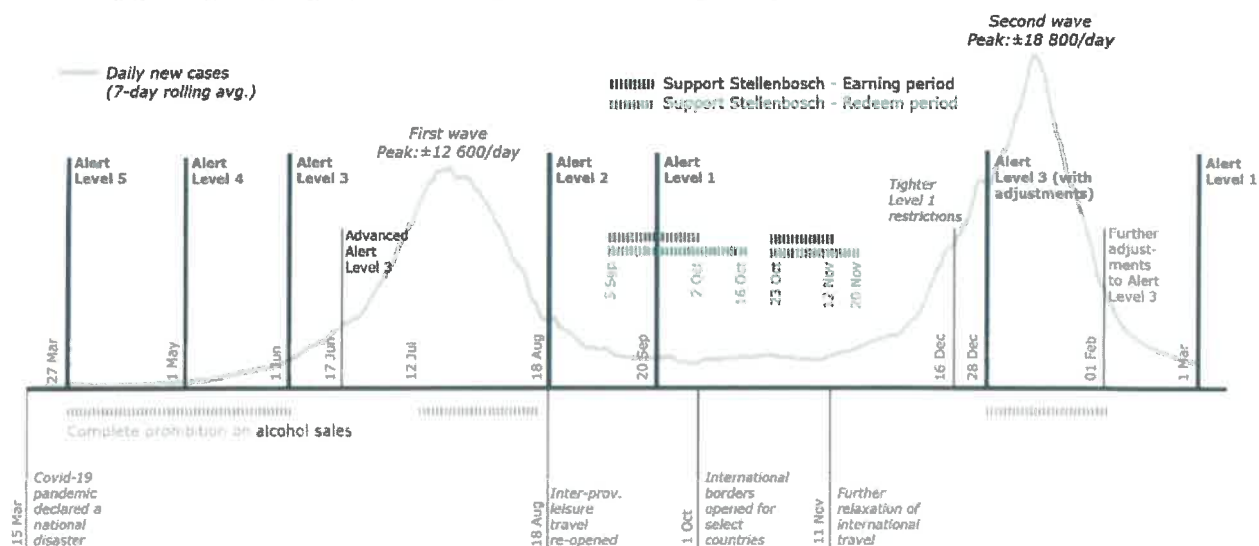
Timelines

Figure 1 provides an overview of the timeline of COVID-19 restrictions:

- On Sunday, 15 March 2020, President Ramaphosa declared a national state of disaster. A week later, he announced that a nationwide lockdown would come into effect on 27 March 2020. As part of the lockdown regulations, all non-essential services, including restaurants, coffee shops, takeaways and fast-food outlets were prohibited.
- SA moved from Alert Level 5 (the strictest form of lockdown) to Level 4 on Friday, 1 May. Besides essential services, selected sectors were allowed to slowly resume operations. Restaurants were allowed to deliver food (subject to the curfew), but sit-down meals or takeaways were not allowed.

- On 1 June, South Africa moved to Level 3. Restaurants, bars and taverns remained prohibited, except for the delivery or collection of food. The alcohol ban was partly lifted: alcohol sales for home consumption were allowed on specific days and times.
- SA moved to an 'Advanced' Level 3 on 17 June. After two and half months of no to limited trading, restaurants were finally allowed to offer sit-down meals, with limited capacity.

Figure 1: Timeline of COVID-19 restrictions and the Support Stellenbosch campaign



In addition to the first prohibition on alcohol sales (that was in place under Alert Level 5 and 4), two more complete bans on alcohol sales were implemented during the peaks of the first and second waves (see Figure 1). The alcohol bans were also accompanied with stricter curfew hours. While this was necessary to increase hospital capacity to make room for COVID-19 patients, it did anecdotally put a lot of pressure on the already struggling restaurant industry.

Tourism plays an important role in Stellenbosch's economy. The opening of our borders, both provincial and international, were therefore also critical for the survival of the struggling industry. The timeline shows that international borders were opened for select countries during the first phase of the Support Stellenbosch campaign. Unfortunately, most of our key source markets were on the initial high-risk list and by the time that the borders opened for all countries (11 November), many of South Africa's source markets were already experiencing the start of their second wave. It should also be acknowledged that the pandemic has had a devastating effect on tourism volumes globally. Stellenbosch and South Africa would most likely still have experienced a massive volume decrease in visitors regardless of the regulations in place.

Support Stellenbosch campaign

Visit Stellenbosch, in partnership with SnapScan¹, launched the first phase of the very innovative Support Stellenbosch campaign on 5 September 2020.

How did it work?

Support Stellenbosch was a rewards campaign where locals and visitors received a voucher to the value of 50% of what they spend (provided that they spend at least R200). The vouchers, capped at a maximum of R400, were redeemable through SnapScan at any participating restaurant² within the campaign period (see below for campaign dates).

When a Stellenbucks voucher was redeemed at a participating restaurant and the bill was more than the value of the voucher, the difference could earn the patron another Stellenbucks voucher – 50% of what was spent, to a maximum value of R400, provided the difference was R200 or more. This ensured that the campaign motivated repeat restaurant visits.

Figure 2: Support Stellenbosch campaign date



Due to the devastating effect that COVID-19 had on the hospitality industry, Visit Stellenbosch realised that restaurants would not have the means to contribute to the campaign. The Restaurant Recovery Fund was created for donors to contribute toward financing the Stellenbucks vouchers. The initial goal was to raise at least R1 500 000, but thanks to the generous support from corporates, local business and private individuals, Visit Stellenbosch managed to raise a total sum of R1 770 000.

As shown above, the earning period of the first campaign ran from 5 September to 2 October. Thereafter, patrons had another two weeks until 16 October to redeem their rewards. A second campaign was launched on 23 October due to the non-redemption of a large number of vouchers from the first campaign.

Importantly, in order for restaurants to participate in the Support Stellenbosch campaign they had to be a Stellenbosch Ready Partner. Stellenbosch Ready is the 'currency of trust programme' for the town and was developed by Visit Stellenbosch. Stellenbosch was the first destination in sub-Saharan Africa to be awarded a validation for a COVID-19 protocol programme by the World Travel and Tourism Council (WTTC).

¹ The SnapScan payment platform (www.snapscan.co.za) managed all transactions and stringent terms and conditions regulated the participation of restaurants and patrons.

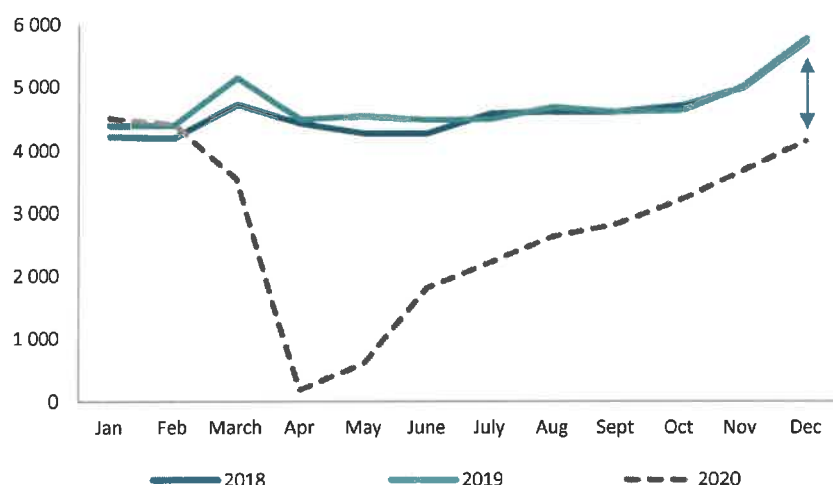
² In total, 49 restaurants participated in the campaign.

Stats SA data

Before focussing on Stellenbosch specifically, we use Stats SA's food and beverages data³ to illustrate the devastating impacts of the COVID-19 restrictions. After hitting a record low in April 2020, total income for the food and beverage industry showed consistent recovery over the past few months. However, as shown in Figure 3, even by December income still remained far below pre-COVID levels.

Figure 3: Total income for food and beverages industry: 2018 – 2020

R million (constant prices)



Source: Stats SA

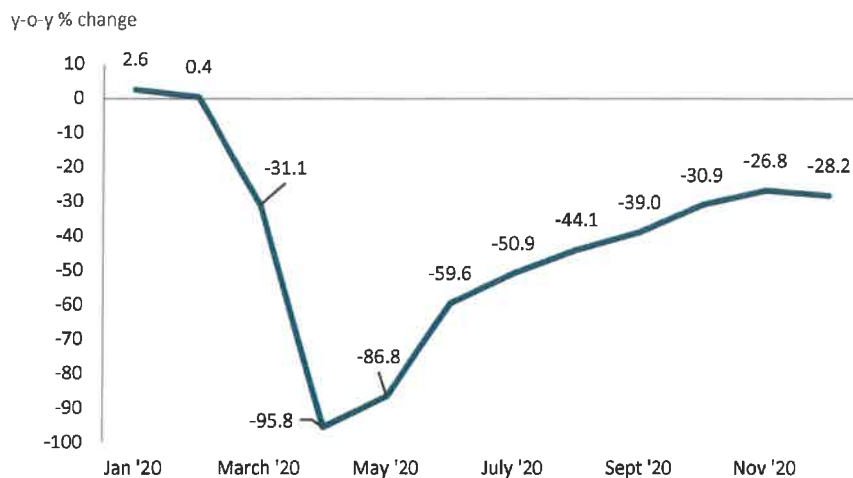
In total, the food and beverages industry recorded an income of R56.6 billion (bn) in 2019. This took a massive dip in 2020 and total income for the year came in at R33.7bn.

Annual growth rates relative to 2019 illustrate the poor performance of the food and beverage industry in 2020. In April 2020, income was 95.8% lower than in the same month of 2019. While things improved markedly by November, income remained 26.8% below 2019 levels. It dipped back to 28.2% below 2019 levels in December, likely driven by the second wave of COVID-19 infections and stricter lockdown restrictions from 16 December onward⁴ (see timeline above).

³According to Stats SA's classification, the food and beverages industry includes restaurants and coffee shops, takeaways and fast-food outlets and catering services.

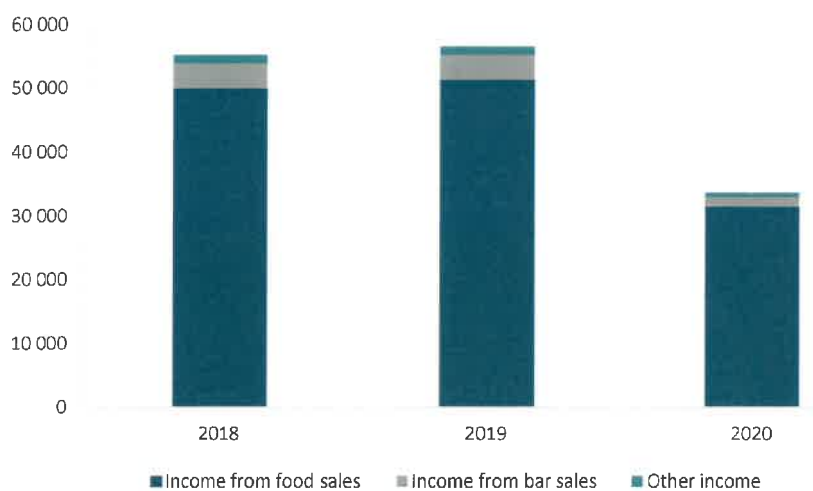
⁴ From 16 December, non-essential services, including restaurants and bars, had to close at 22h00 in order to give staff and patrons enough time to get home before the nationwide curfew that started at 23h00. On 28 December, the nationwide curfew was moved to 21h00 and the alcohol ban was reimposed.

Figure 4: Total industry: year-on-year % changes in total income



Although food sales make up the largest share of the industry's income (see Figure 5), anecdotal evidence suggests that the alcohol bans were having a devastating impact on business/activity in general. This is in part because customers are less likely to eat at a restaurant if they know that they will not be able to consume alcohol with their meal.

Figure 5: Income components of food and beverage industry



Source: Stats SA

As mentioned earlier, food deliveries were allowed a month and a half before restaurants were allowed to offer sit-down meals. It therefore comes as no surprise that takeaways and fast-food outlets initially recovered faster than restaurants and coffee shops (see Figure 6 and Figure 7). This motivates why Visit Stellenbosch identified restaurants as the beneficiaries of the Support Stellenbosch campaign.

Figure 6: Total income for restaurants & coffee shops and take aways & fast food outlets

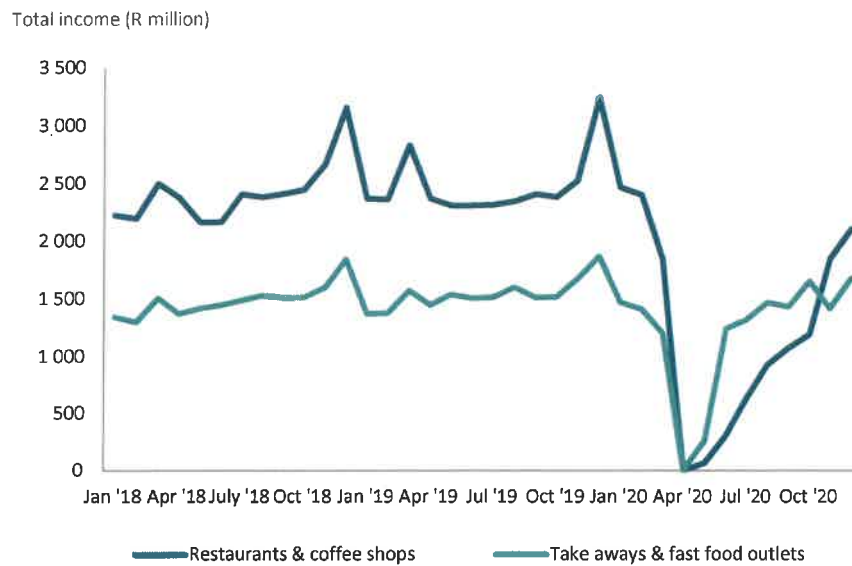
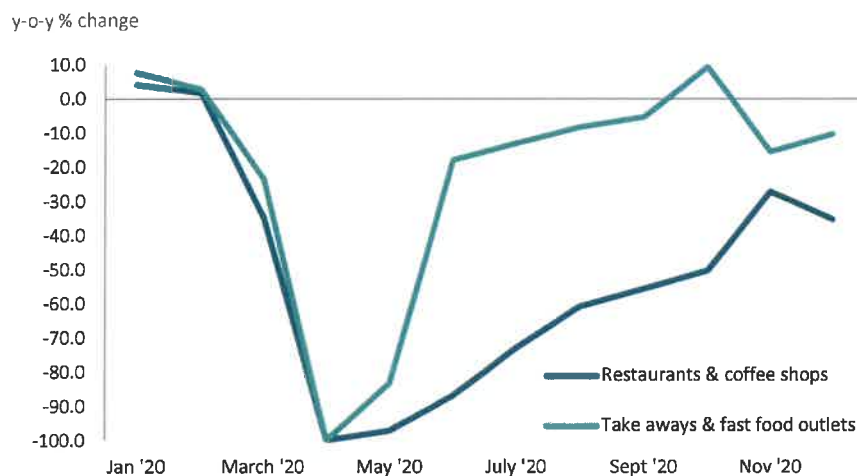


Figure 7 shows that in October 2020, takeaways and fast-food outlets recorded their first positive annual growth rate since the outbreak of the pandemic. However, in November these sales fell back into negative territory. Customers' preference to rather eat at home by buying takeaways or fast-food during the second wave can be seen by the divergence between restaurants and coffee shops relative to takeaways and fast-food outlets in December.

Figure 7: Annual % changes in total income for restaurants & coffee shops and take aways & fast food outlets



Source: Stats SA

The analysis above illustrates the severe impact that the COVID-19 pandemic and the associated restrictions had on the food and beverage industry. In the section that follows, we look at feedback from the restaurants that participated in the Support Stellenbosch campaign to see if it helped alleviate some of these impacts.

Survey feedback

A short online survey was sent to the 49 restaurants that participated in the Support Stellenbosch campaign. The survey was distributed (emailed) to participants by Visit Stellenbosch as this was likely to result in a higher response rate. Despite three email reminders, only 28 completed surveys ('the respondents') were received.

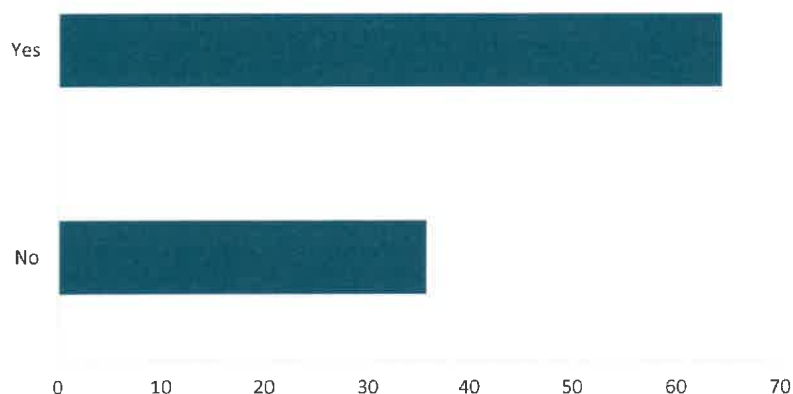
The response rate is too small to make general statements about the sample as a whole or to quantify the success of the campaign. We can, however, provide feedback on the responses contained in the 28 completed surveys and make qualitative statements based on these results.

It is also important to point out that the majority of respondents (71.4%) indicated that they offered other promotions/specials during the time of the Support Stellenbosch campaign. Promotions included two for one specials, or a free glass of wine with your main meal. This implies that the campaign was not the only driver of the general uptick in business during this period and it is important to interpret the survey results with this in mind. However, comments received (discussed later in this section) suggest that the campaign did indeed have a positive impact on business.

Employment before and after lockdown

The 28 survey respondents employed a total of 873 people before the nationwide lockdown (i.e. in January/February 2020). The majority of the respondents (64.3%) indicated that they had to permanently retrench staff because of COVID-19/the lockdown (Figure 8). In total, 144 staff members were retrenched, translating into 16.5% of people who were employed by the 28 respondents.

Figure 8: Share of respondents reporting that they had to permanently retrench staff because of COVID-19/the lockdown



If one only includes survey respondents who indicated that they had to permanently retrench some of their staff, 37.4% of pre-lockdown staff, on average, were retrenched.

One respondent indicated that although they did not retrench any staff members permanently, they did have to make some layoffs (i.e. provisional terminations). Others indicated that they implemented salary cuts and reduced working hours ("short time").

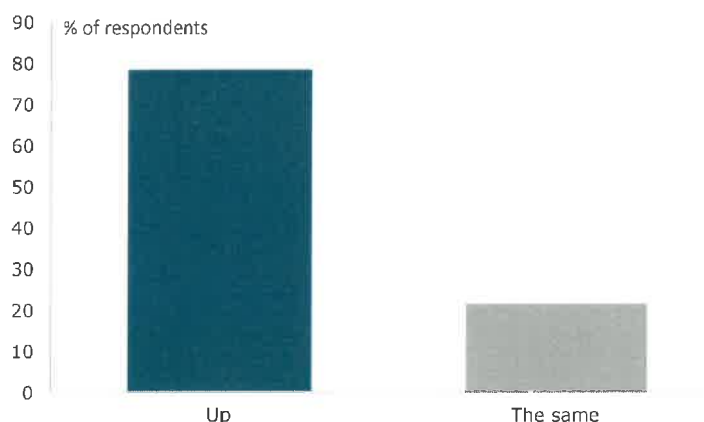
Regardless of whether participants had to make permanent retrenchments, the majority of respondents (71.4%) indicated that their average monthly salary bill was lower in 2020 than during 2019 (i.e. normal operating times). This confirms that salary cuts and reduced working hours were implemented even for the staff members who retained their jobs.

Of those who indicated that their salary bill is currently lower than during 2019, the average cut to salary bills is just over 40%. Given such a significant loss of earnings and the likelihood that the rest of the local restaurant sector can be assumed to have fared about as bad as the sample, this translates to a massive loss of household income and the related local expenditures this implies.

Business/activity before, during and after the Support Stellenbosch campaign

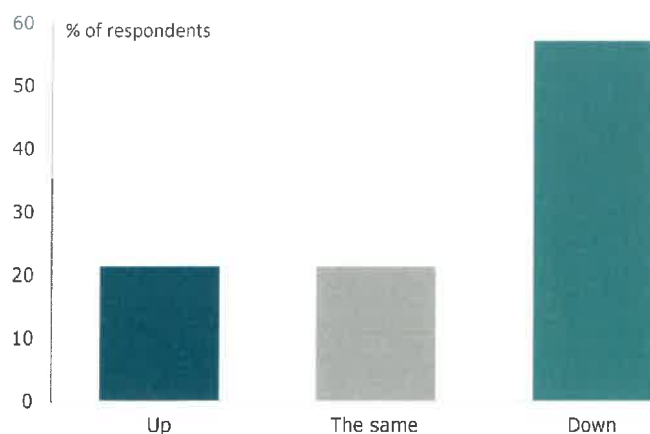
The vast majority of respondents (78.6%) indicated that business/activity during the Support Stellenbosch campaign was up compared to the **month prior** to the campaign (August 2020). The rest (21.4%) said that business was unchanged (Figure 9).

Figure 9: Business/activity during the Support Stellenbosch campaign compared to August 2020



However, when business/activity during the campaign is compared to the same period a year ago (September to November 2019), 57.1% of respondents indicated that business was down.

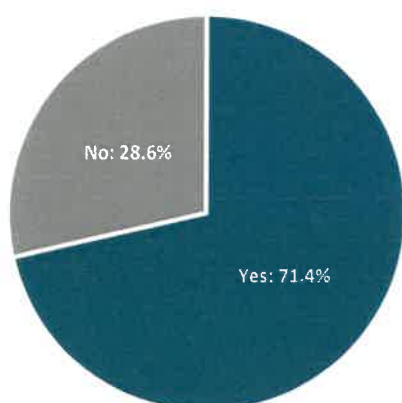
Figure 10: Business/activity during the Support Stellenbosch campaign compared to the same period last year (Sep-Nov 2019)



This implies that although the Support Stellenbosch campaign provided a much-needed boost in the current difficult environment, business is still largely down compared to pre-COVID levels. This reflects the Stats SA data for the industry as a whole, as was illustrated in the previous section.

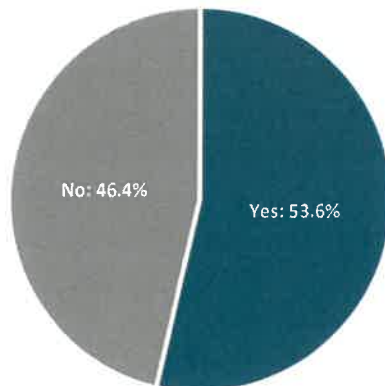
The majority of respondents (71.4%) reported that they saw a notable drop in business after the end of the Support Stellenbosch campaign.

Figure 11: Can you see a notable drop in business/activity now that the Support Stellenbosch campaign has ended?



Just over half of the sample indicated that there was a notable drop in business between the two phases of the campaign (Figure 12). The average daily card transactions for 16 – 23 October suggests that there was indeed a notable drop in business during that week, but this might also be ascribed to customers opting back to using other means of payments.

Figure 12: Was there a notable drop in business between phase 1 and phase 2 of the Support Stellenbosch campaign (i.e. in the week of 16 - 23 Oct 2020)?



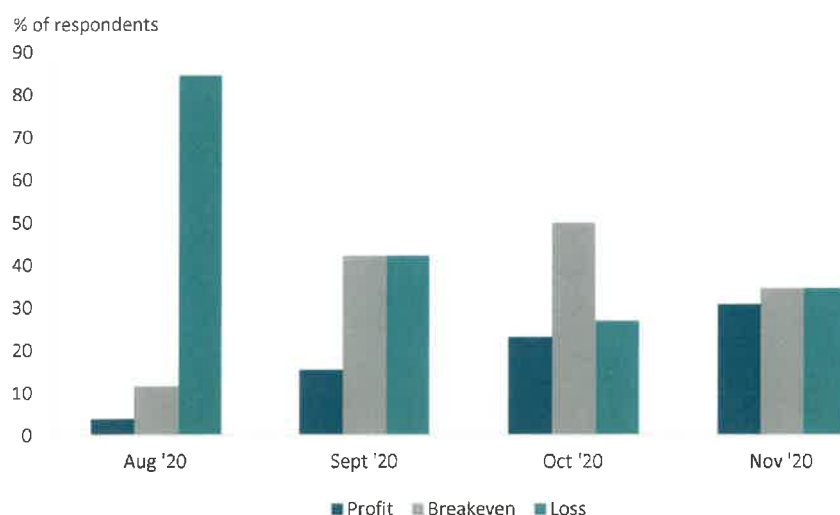
On Sunday, 12 July 2020, President Ramaphosa announced an alcohol ban with immediate effect. On Monday, 17 August 2020, the country moved to alert level 2 and the alcohol ban was lifted. With the exception of one respondent, all the others stated that there was a notable increase in business after the lifting of the alcohol ban.

Profitability before, during and after the campaign

We also asked respondents if they made a profit, broke even or made a loss during August, September, October and November 2020, respectively. These dates more or less include the month prior to the Support Stellenbosch campaign and then the three months during the campaign.

With the exception of one respondent who made a profit in August, and three that broke even, the majority of respondents (84.6%) indicated that they made a loss. This improved to 15.4% of respondents who made a profit in September 2020 (the first month of the campaign). This proportion increased further to 23.1% and 30.8% in October and November, respectively.

Figure 13: Share of respondents reporting a profit or a loss, or breaking even



In responding to a question about how many months their enterprise could survive financially at current levels of business, two respondents indicated that they could not survive any longer, and one specifically stated that their cash flow was completely depleted at the time of the survey. With the exception of the respondents who indicated that they could not survive “any longer”, participants reported that they should be able to survive for another three and a half months, on average.

Final comments on the Support Stellenbosch survey results

The majority of participants indicated that overseas visitors make up a sizeable proportion of their customer base. The travel restrictions that were still in place during the Support Stellenbosch campaign⁵ prompted restaurants to shift their focus to local customers. Stellenbosch University students were also absent for the most of the year and this resulted in a smaller local customer base. Going forward, the slow rollout of vaccines is expected to continue to weigh on foreign tourists’ willingness to travel both within, and to, South Africa and suggests that it will be some time before Stellenbosch restaurants are able to fully recover.

It was always going to be difficult to quantify the contribution of the Support Stellenbosch campaign to the local restaurant industry and economy. However, in an open-ended question that asked respondents how the campaign affected their business/activity, the responses were unanimously positive. A number of respondents indicated that the campaign prompted customers to spend more than usual (in order to earn more rewards) and one respondent specifically indicated that staff tips “increased significantly during this period”. Several respondents also indicated that the number of local customers increased due to the campaign. One respondent specifically stated that the campaign meant “survival of the business”.

In the next section, we look at data received from SnapScan to further assess the impact of the Support Stellenbosch campaign.

SnapScan analysis

According to Visit Stellenbosch, 7 590 qualifying SnapScan transactions resulted in R5 458 150 spent at participating restaurants during the campaign period and R1 878 491 worth of Stellenbucks vouchers were issued. Not all the vouchers were redeemed and R250 939 was put back into the Restaurant Recovery Fund for a future campaign. This amounted to a total direct cash injection of R7 085 702 into the Stellenbosch economy.

Figure 14 illustrates all SnapScan payments⁶ (ordinary⁷ and wallet payments) for the period July to November 2020. The user count data (not shown here) suggests that the jump in ordinary SnapScan payments during the Support Stellenbosch campaign was to some extent driven by more people actually

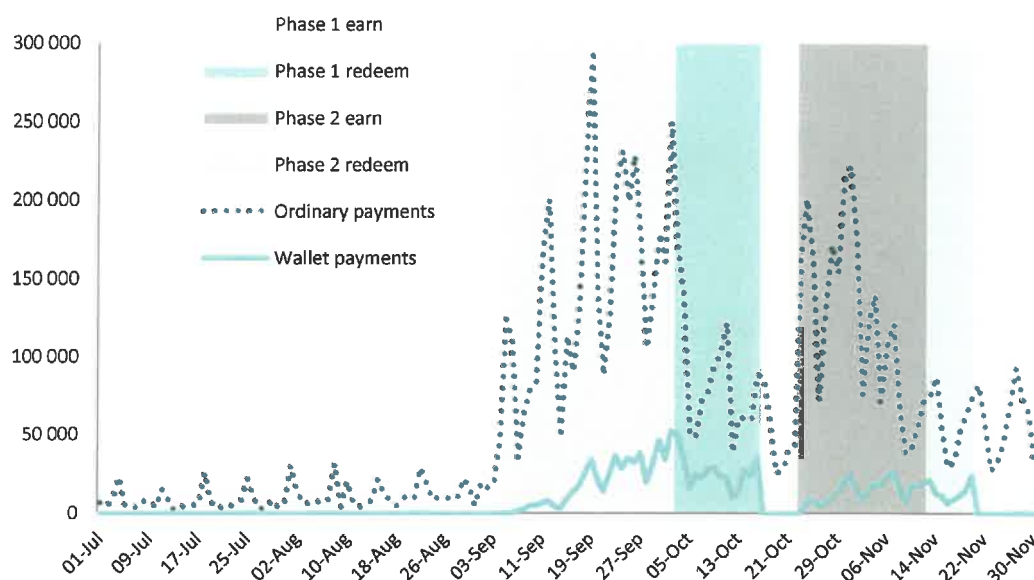
⁵ International borders were opened for selected countries not on the high-risk list on 1 October 2020. South African borders were opened for all visitors on 11 November 2020 (i.e., towards the end of phase 2 of the Stellenbucks campaign).

⁶ Unfortunately the available date did not allow us to split out only the qualifying transactions (more than R200).

⁷ A SnapScan payment happens via an app on the user’s phone. The user scans the SnapCode (QR code) and enters the amount on their phone, their SnapScan account is linked to their bank account.

using/signing up for SnapScan. The Support Stellenbosch campaign also motivated more merchants to offer SnapScan as a payment option – 14 of the 48 participating restaurants signed up for SnapScan after 1 September 2020. It's encouraging that the Support Stellenbosch campaign helped to accelerate the shift to contactless payments during the pandemic – both on the demand and supply side.

Figure 14: SnapScan: Ordinary and wallet payments – July to November 2020



Source: SnapScan

If one compares the average amount spent per SnapScan payment before, during and after the Support Stellenbosch campaign, it can be seen that the uptick in payments during the campaign was not only driven by more SnapScan users, but also by more money being spent per payment. This was especially the case during the earnings period of Phase 1 (see Table 1).

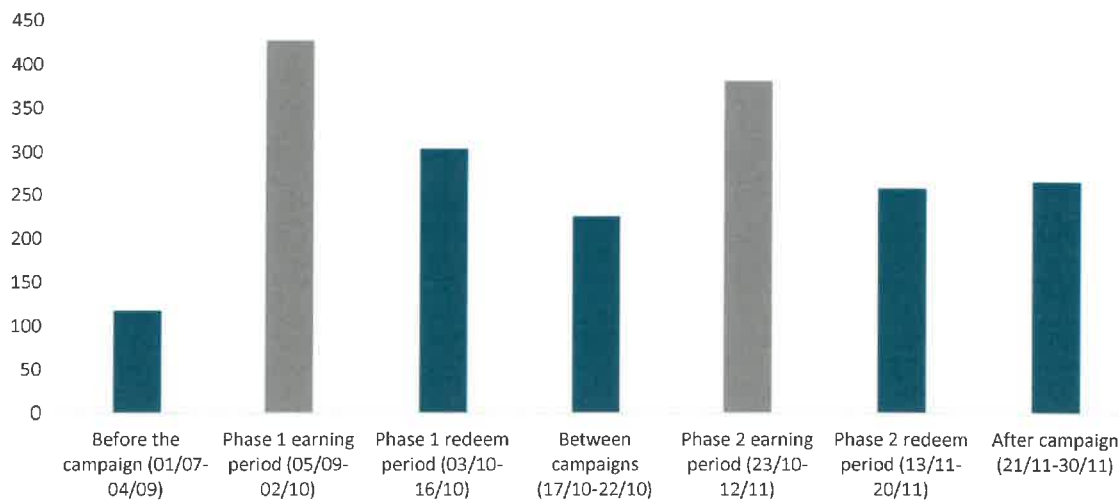
Table 1: Average amount spent per card payment

	Dates	Average amount per card payments
Before Support Stellenbosch campaign	1 July - 4 Sept '20	R117.58
Phase 1 earning period	5 Sept - 2 Oct '20	R427.31
Phase 1 redeem period	3 - 16 Oct '20	R303.13
Between campaigns	17 - 22 Oct '20	R225.61
Phase 2 earning period	23 Oct - 12 Nov '20	R381.10
Phase 2 redeem period	13 - 20 Nov '20	R258.03
After campaign	21 - 30 Nov '20	R265.66

Source: SnapScan

The spike in the average value of transactions during the earning period of Phase 1 as well as of Phase 2 is quite striking, suggesting that the initiative encouraged customers to spend more than they might have in the absence of the campaign. This is confirmed by feedback from the survey respondents (as discussed above).

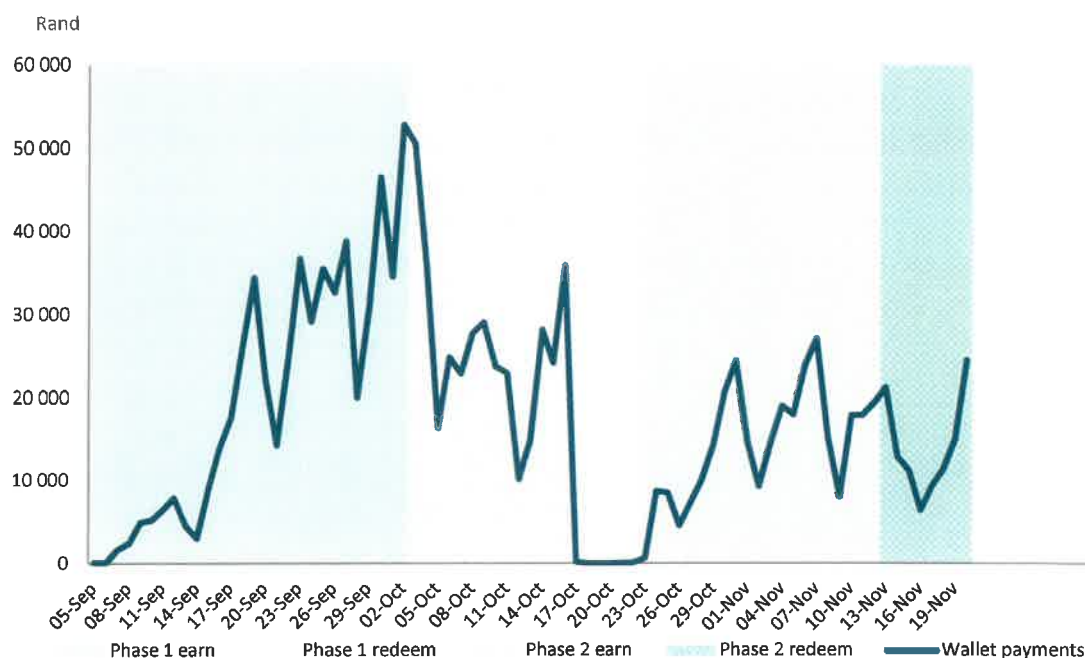
Figure 15: Average amount spent per card payment



Source: SnapScan

Finally, if one zooms in on the wallet payments during the two phases of the campaign, it can be seen that there was a clear drop after the earning periods of both phases ended. It is also interesting to note that the average daily wallet payments was smaller during the second phase.

Figure 16: Wallet payments during the Support Stellenbosch campaign



Source: SnapScan

It is important to note that the impact of the Support Stellenbosch campaign was far greater than the money spent at the participating restaurants. In addition to the direct impacts, the campaign also had significant indirect and induced impacts due to the industry's linkages to other sectors of the economy – both local and further afield. For example, a restaurant makes use of a number of goods and services providers in order to deliver their service. These so-called “first round” suppliers received expenditures and revenues as a direct consequence of the additional demand for sit-down meals (**direct impacts**). These sectors, in turn, likely needed more inputs from their suppliers, and so on down the supply chain (**indirect impacts**). Finally, incomes in both the directly and indirectly affected industries likely increased, and as a result there was an increase in spending on goods and services throughout the economy (**induced impacts**).

Conclusion

By providing a financial incentive for patrons to venture out to a participating restaurant, the Support Stellenbosch campaign stimulated the economy and increased job security. Consumer behaviour was changed by rewarding customers for their restaurant visit and reminding them of the robust health and safety protocols in place through the Stellenbosch Ready programme.

Another positive outcome of the campaign was the strong community feeling that it ignited and the collaboration between sub-sectors of the tourism industry and locals. “The positive sentiment that was unlocked in our town happened at a time, just after lockdown, when our community really needed it”, according to Visit Stellenbosch.

Mia Slabber, Helanya Fourie & Cobus Venter

March 2020

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7.10.3	CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (MANAGING AND UPDATING THE STELLENBOSCH MUNICIPALITY HERITAGE INVENTORY) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022
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Collaborator No: 708315
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 June 2021

- SUBJECT: CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION (MANAGING AND UPDATING THE STELLENBOSCH MUNICIPALITY HERITAGE INVENTORY) AS PROVIDED FOR BY THE POLICY: FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022**

- PURPOSE**

To discuss and consider the funding applications for the 2021 / 2022 financial year received from external bodies performing a Municipal function as provided by the Policy for the Funding of External Bodies Performing a Municipal Function, read with Section 80(2) of the Municipal Systems Act No. 32 of 2000.

- DELEGATED AUTHORITY**

In terms of Section 7(2) of said policy the Grants Committee is delegated to allocate funds to External Bodies Performing a Municipal Function.

- EXECUTIVE SUMMARY**

In terms of Section 7(2) of the Policy relating to External Bodies Performing a Municipal Function of which budget allocation are delegated to the Grants Committee to make recommendations to Council, as approved by Council.

The notice of the applications for the funding of bodies performing a municipal function was advertised in the Eikestadnuus and the Paarl Post-dated 06 May 2021, respectively and the Die Burger dated 07 May 2021, attached as **Appendix 1** of which the closing date to submit such applications was at 12:00 midday, 21 May 2021.

The following body submitted applications by the closing date for funding to perform the Updating and Management of the Stellenbosch Municipality Heritage Inventory function for Council for the 2021 / 2022 financial year.

Applicant	2021 / 2022
	Funding Requested in Rand Value
Stellenbosch Heritage Foundation	312 904.00 <i>Total for all projects (with the exclusion of Project 7) in the submission document attached as Appendix 2.</i>
Stellenbosch Heritage Foundation	492 904.00 <i>Total for all projects including project 7 in the submission document, attached as Appendix 2.</i>
Total Funding Requested	492 904.00

Currently, Council has budgeted for R5 561 393.00 for the 2021 / 2022 financial year. This includes funding for the Updating of the Stellenbosch Municipality Heritage Inventory. The requested amount by all the bodies is thus R6 708 000.00 (Local Tourism Organisations) and R492 904.00 (Stellenbosch Heritage Foundation), which is a total requested funding of R7 200 904.00. The requested funding is thus exceeding the budgeted amount by R1 639 511.00.

The Department has commissioned the Stellenbosch Heritage Inventory, which is only one of three complete heritage inventories within the Republic of South Africa. The inventory, which was approved by Heritage Western Cape, was updating on an ad hoc basis by the Stellenbosch Heritage Foundation through an "undocumented" agreement between the previous Director: Planning & Economic Development & the Stellenbosch Heritage Foundation. It must however be noted that due to the importance and value that Stellenbosch has with its heritage resource, it is of utmost importance that the heritage inventory remain updated.

In the light of the above and the reasons submitted in this report, the following is recommended to the Grants Committee for endorsement to Council for decision:

5. RECOMMENDATION

That the amount of R492 904.00 be allocated to the Stellenbosch Heritage Foundation to undertake the function of Updating the Stellenbosch Municipality's Heritage Inventory for the 2021 / 2022 financial year.

6. DISCUSSION /CONTENTS

The following application for the funding of function was received.

6.1 Stellenbosch Heritage Foundation (Appendix 2)

Stellenbosch Heritage Foundation ("SHF")	
TOTAL	492 904.00

Compliance checks

Stellenbosch Heritage Foundation		Amount requested: R492 904.00
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	✓	31 March 2021
2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution.	✓	

<ul style="list-style-type: none"> • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 		
4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application.	✓	Previous financials
6. If the Organisation received funding from other bodies, please identify and list the amounts received.	✓	
7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached.	✓	
8. If the Organisation has been registered as a "non-profit" organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached.	n/a	
9. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached.	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	

The following performance indicators was submitted by Stellenbosch Heritage Foundation programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 2021 / 2022 financial year in the below table:

AIM / OBJECTIVES / PROJECTS	DESCRIPTION	AMOUNT in Rand	DEPARTMENTAL COMMENT	Recommended Funding
PROJECT 1	Hosting and Maintaining the heritage survey database for 2021	60 000.00	The Department <u>support and recommend the funding.</u>	60 000.00
PROJECT 2	Incorporating the previous database maintenance from 2017 to 2020	180 000.00	The Department note that SHF has previously, and without funding assisted the Directorate with the function, and the proposal to incorporate the layers updated by SHF is thus <u>recommended by the Department.</u>	180 000.00
PROJECT 3	Method 1: Assisting the municipality to add a link to the database on their website	0.00	The Department notes that the assistance will not be budgeted, as it is aimed at providing assistance to the municipal officials to create the link.	0.00

	Method 2: Add an i-frame the survey search facility of the Stellenbosch Municipal website to display	8 100.00	The Department <u>support and recommend the funding.</u>	8 100.00
PROJECT 4	Adding the Stellenbosch University Inventory to the current database	18 458.00		18 458.00
PROJECT 5	Updating the 'look and feel' / Customer Interface of the layout of the search results and the layout of the PDF	21 600.00		21 600.00
PROJECT 6	Add additional fields to database for accommodating additional information	5 746.00		5 746.00
PROJECT 7	Add the 2016 Cape Winelands Heritage Survey to the database	180 000.00		180 000.00
PROJECT 8	Amend the database to accommodate landscapes	9 000.00		9 000.00
PROJECT 9	Updating the current database	10 000.00		10 000.00
TOTAL FUNDING		492 904		<u>492 904.00</u>

Stellenbosch Heritage Foundation ("SHF") included all the required documentation and information to be considered and therefore it is thus proposed that the programmes as noted in the above table be funded in terms of the said policy for the 2021 / 2022 financial year which amount to **R492 904.00**.

6.2 Evaluation of funding requests

Based on the factors mentioned in point 5 & 6 of this report, it is clear that only one (1) organisation submitted an application and also qualified to be considered for funding.

6.3 Financial Implications

A total current budget approved for the allocation of external bodies performing a function of Council is R5 561 393, and the current proposed budget to be allocated to the Local Tourism Organisations are R5 068 489 000. The Department also included the request for funding external bodies to undertake the function of updating the Stellenbosch Municipality's Heritage Inventory, and currently the only organisation that submitted a proposal was Stellenbosch Heritage Foundation for R492 904.00. Thus, the total proposed allocated budget for the 2021 / 2022 financial year, would equal the amount of R5 561 393.00. This is equal to the approved budget of Council.

6.4 Legal Implications

The recommendations in this report comply with Council's policies and applicable legislation and the approved Policy for the Financing of External Bodies Performing a Municipal function.

The successful applicant is required to submit quarterly reports reflecting accurately the application of the funds allocated and using the reporting template which will be provided by Council to them as specified in the Memorandum of Agreement ("MOA") which they are required to enter into with the Municipality.

6.5 Staff Implications

None

6.6 Risk Implications

SHF is an entity funded to undertake a function of Council and is therefore also subject to reporting to the Auditor-General in terms of their Annual Financial Statements ("AFS") in terms of the Municipal Finance Management Act, Act 56 of 2000. Therefore, the Department will draft a reporting template to ensure that the financial reporting will be in accordance with the required financial reporting in terms of the relevant Generally Recognised Accounting Practices ("GRAP") and the MOA as signed with Council.

RECOMMENDATION FROM THE GRANTS-IN-AID COMMITTEE TO THE EXECUTIVE MAYOR: 2021-06-09: ITEM 3.3

that the amount of R492 904.00 be allocated to the Stellenbosch Heritage Foundation to undertake the function of Updating the Stellenbosch Municipality's Heritage Inventory for the 2021 / 2022 financial year.

APPENDICES

Appendix 1: Advertisement

Appendix 2: Stellenbosch Heritage Foundation Submission

FOR FURTHER DETAILS, CONTACT:

NAME	Craig Alexander
POSITION	Senior Manager: Development Planning
DIRECTORATE	PLANNING AND ECONOMIC DEVELOPMENT
CONTACT NUMBERS	021 808 8196
E-MAIL ADDRESS	Craig.Alexander@stellenbosch.gov.za
REPORT DATE	07 June 2021

APPENDIX 1

Health-work training now offered

Registration for free, high-demand skills training for unskilled, semi-skilled and unemployed persons has opened up to the public at the Stellenbosch-based NGO, Bergzicht Training.

"I would really like to encourage unskilled, semi-skilled, and unemployed persons to register at Bergzicht Training, as they will be able to learn basic accredited skills in the shortest period of time to obtain full-time employment," said Renske Minnaar, the institution's CEO.

During May and June registration for the HWSETA-accredited health and frail care, certified child care and QCTO Food Service Assistant programmes will be accepted.

Those who are accepted for training will first have to complete the iPOWER (Self-Empowering) Foundation programme. This compulsory entry-level programme takes place over 17 days and teaches participants basic life skills, personal health, cleaning, laundry and cooking skills.

According to Minnaar, job placement rates for 2020 graduates remain high, mainly because Bergzicht Training has always focused on providing training on in-demand skills. The Child Care programme graduates of 2020 had a work placement rate of 80%, with graduates placed as teaching assistants or au pairs.

The rate for Health and Frail Care graduates who are placed in home-based care, hospitals and private, assisted living establishments is 68%. Despite the challenges brought about by Covid-19 in the hospitality industry, 75% of the 2020 Food Service Assistant programme graduates were placed, only



Xoliswa Ntshinga (left) and John Kannemeyer both completed Bergzicht Training's HWSETA-accredited Health and Frail Care programme and are now working as health-care workers.

5% lower than the usual placement rate.

"Our aim is to empower unemployed people by providing them with relevant skills which are in high demand in the job market and to find long-term solutions to unemployment in Stellenbosch," Minnaar added.

Since being established in 1992, Bergzicht Training has been committed to skills development and has empowered more than 13 000 people from disadvantaged communities across the Western Cape. Their mission is to provide individuals with quality certified, accredited skills coupled with mentorship and support to enable them to find employment. Unemployed persons who have completed Grade 10, and have good English written and verbal communication skills should

apply for Bergzicht's Training programmes.

The Child Care, and the Health and Frail Care programmes are best suited to persons aged 30 and above. Only one Child Care programme will be offered in 2021, and is presented over 13 weeks. The programme includes the completion of a Level-1 first aid course. The Health and Frail Care Programme is a full-time, 15-week programme consisting of on-campus theoretical work and a work-integrated learning opportunity at one of 26 health and frail-care institutions and retirement facilities in the Western Cape.

Persons below the age of 26 are encouraged to register for the QCTO Food Service Assistant programme, which is presented in partnership with

"Our aim is to empower unemployed people by providing relevant skills"

The Chefs Training & Innovation Academy (CTIA) at their Stellenbosch campus over a period of 10 weeks. Included is the seven-week on-campus training and a three-week work-integrated learning opportunity at a range of hospitality and tourism organisations. "Support Stellenbosch, a Stellenbosch online platform initiative, has partnered with Bergzicht to develop a talent recruitment platform to give improved and more effective employer reach to our graduates for employment," says Minnaar.

The three training programmes are provided at no financial cost to participants, however, there is a small commitment registration fee of R65 for the iPOWER Programme. The costs for the Food Service Assistant programme is R160 for registration and R200 for the chef's uniform. The Child Care programme's fees are R160 and the Health and Frail Care programme's fees are R160 for registration and R300 for the uniform.

If you wish to register for this programme, you can visit the centre or contact Ingrid Andrews at 021 883 3525. You can also send a message to the WhatsApp number 071 637 3029 or e-mail Abigail Barnard at reception@bergzicht.org.za. Further information is available at www.bergzichttraining.com or on Bergzicht Training's Facebook page.



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Municipal Notice 34/2021

NOTICE:

APPLICATIONS FOR THE FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION PROVIDED BY THE POLICY FOR THE FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT: SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022

Notice is hereby given to external bodies performing a Municipal Function as provided by the Policy for the Funding of Bodies Performing a Municipal Function read with Section 80(2) of the Local Government: Municipal Systems Act, Act 32 of 2000, and who qualify for financial assistance, to apply in line with the aforementioned policy of the Stellenbosch Municipality.

Only organisations within the Stellenbosch (WC024) Municipality's administrative boundaries that provide a Municipal Function(s) for:

- Local Tourism; and
- Management and updating the Stellenbosch Municipality Heritage Inventory

Only applications received on the prescribed application form and accompanied by the required information, documentation, financial statements, covering letter, and supporting documentation received by the Office of the Manager: Economic Development & Tourism by no later than 12:00 midday on 21 May 2021 will be considered. Applicants will also be required to conduct a presentation, as noted in the application form, to the Evaluation Panel.

Copies of the said policy and application form is available during office hours from the Offices of the Section: Economic Development & Tourism located at:

- 58 Andringa Street, Stellenbosch, 7600
- or by email from:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Downloadable copies of the documents are available on the Stellenbosch Municipal official website at: www.stellenbosch.gov.za

GARALDINE METTLER
MUNICIPAL MANAGER
APRIL 2021

Notice No:

Munisipale Kennisgewing 34/2021

KENNISGWING:

AANSOEK OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERVAT IN DIE BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG, SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSWET, WET 32 VAN 2000 VIR DIE 2021 / 2022 FINANSIELE JAAR

Kennisname geskied hiermee vir Eksterne Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Entiteite wat 'n Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelswet, Wet 32 van 2000 en wat kwalifiseer vir finansiële hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesel word van al die gevraagde inligting, dokumentasie, finansiële state, dekkingsbrief, en stawende dokumentasie wat ontvang word by die Kantoer van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen 12:00 middag op 21 Mei 2021 sal oorweeg word. Aansoekers sal ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueringspaneel.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Aflaaibare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

Past lives at Grosvenor House

Taking our taste buds back in time, the Stellenbosch Museum has partnered up with some of Stellenbosch's culinary wizards for a 19th-century bake sale in celebration of International Museum Day.

Guests will be welcomed to the historic Grosvenor House garden by hostesses in Georgian-era gowns. There they may sample cakes, tarts, and treats made by Stellenbosch's bakers (including the popular Dorp Street Cafe, The Blue Crane and the Butterfly) from handwritten recipes recorded in 1819 by Mrs Catharina Maria Blankenberg (1781-1873) of Stellenbosch.

To go with the delicacies, Stellenbosch University's String Quartet will grace the garden with music from that century. Rebuilt in 1803 (originally built in 1782), Grosvenor House's neoclassical facade remains a prominent feature of Stellenbosch's old time. Christiaan Ludolph Neethling, Secretary of the Council of Justice, was Grosvenor House's first owner, and every successive occupant left the property virtually unchanged.

This year it will see culinary history come alive in keeping with International Museum Day's theme for 2021, "The Future of Museums: Recover and Recreate".

Join us at Grosvenor House, 10 Drostdy Street on 15 May from 09:00 to 13:00. Guests are encouraged to book tickets at R20 per telephone, but entry may also be purchased at the door. For bookings and enquiries, contact the Stellenbosch Museum at 021 887 2937.

Little TV star wants to be a doctor

Liezl Davids

Faith Beukes, a Grade 3 learner at La Rochelle Girls' Primary school made her debut on television in the new series, *Skermersdans*.

In *Skermersdans*, set in the Cape Flats, the owner of a jazz club is murdered, leading to a deadly power struggle.

Faith plays the role of Coco, the daughter of Chanel Adonis (Kim Syster) and Warren Fortune (the late Ceagan Arendse who was also from Paarl). Paarlite Ephraim Gordon is the co-director of *Skermersdans*.

The eight year old Faith says she did not imagine being in a real television programme, but that she will definitely like to be in another series or in a movie, because she loves being on set.

She says that even before *Skermersdans* she enjoyed entertaining her family and friends.

"Doing the recording of the series was fantastic and very exciting. I got to meet real actresses," Faith said.

According to her one of the best parts of being on set was getting her make-up done.

"There were so much make-up brushes and so many



Faith Beukes in school kit.

colours. And the make-up artist allowed me to do her hair and her make-up, it was so awesome!"

And how did this little girl juggle being an actress and a learner? "Lucky for me, all my call outs were after school and during the school holiday."

"I am very excited for my appearance on TV for both my friends and family and myself because it is my first time being on TV." She said when her friends heard the news that she will be on TV, they congratulated her and said they could not wait to see her on TV.

This little bubbly girl says that one day she would like to be a doctor at Paarl Hospital and she would also like to be

"We are immensely proud of Faith's dedication and confidence..."

an actress. Her favourite local actor is Danny Ross and her favourite actress is Kim Syster.

And besides being an actress her hobbies include singing, riding bike, roller skating, dancing and camping. Faith also loves to participate in sport and takes part in netball, swimming, hockey, gymnastics and tennis.

"We are immensely proud of Faith's dedication and confidence to pursue the goals she set for herself at this young age."

"We pray God's protection and guidance over her precious life. Faith has always been an entertainer and lives for the moment. As a family we are thankful for the opportunity and shares in Faith's excitement," said Shirlenne Asia on behalf of Faith's family.

● Klein Larrie, Faith Beukes (8) is te sien in *Skermersdans*, 'n nuwe reeks op Showmax.



Tafelronde Paarl 44 versamel doppies

Tafelronde Paarl 44 het ses maande lank doppies en etikette versamel. Paarl 44 het omtrent ses groot bokse ingesamel. Hulle het dit aan Silwerkruin-tahuis vir bejaardes in Wellington geskenk. Hulle sament dit in om 'n rolstoel in ruit daarvoor te kry.



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APRIL 2021

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- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesels word van al die gevraagde inligting, dokumentasie, finansiële state, dekkingsbrief, en stawende dokumentasie wat ontvang word by die Kantoor van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen 12:00 midday op 21 Mei 2021 sal oorweeg word. Aansoekers sal ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueringspaneel.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za). Tel: 021 808 8974

Afhaalbare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

Moeders kan wen

Dis Sondag Moedersdag en tyd om aan alle ma's ons liefde te wys.

Een gelukkige *Paarl Post*-ma kan die volgende wen: 'n heerlike geskenk, 'n koekterapie-ervaring by Oude Wellington vir drie mense (kinders of vriendinne) ter waarde van R1 000 (geldig vir 'n weekdag), drie cake pops, blomme en mini-jenewer en tonklum van The Cake Pop Company, 'n stel leesboeke asook drie bottels witwyn van Du Toits Kloof-kelder. Vind eenvoudig die versteekte Moedersdag-groete in vandeeweek se *Paarl Post* en WhatsApp die bladsy nommer na 066 484 3728 saam met jou naam voor 14:00 eerskomende Vrydag 7 Mei.



RE-USE OF FAMILY GRAVES

Burial space has been a hot topic in recent years and municipalities are making alternative plans to stretch the capacity that it has. Throughout the centuries, mankind has been laid to rest in various ways that includes inground burials. This method of burials (interment) creates a lot of challenges more spaces and plays the lifespan of existing cemeteries under tremendous pressure.

Based on the aforementioned, Drakenstein Municipality promotes and encourage its residents to consider alternative burial methods such as cremation and recycling of family graves.

Recycling of family graves involves multiple burials (interments) within the same family grave and the process might include the exhumation of remains into a small coffin. This smaller coffin with the remains will be buried again in the same grave and this space that was created in the grave as a result of the exhumation will allow new space for multiple family burials in the same grave.

The recycling of family graves has the following advantages:

- It is only available to family members of the same family and can accommodate up to four people of the same family in one grave over a period of time;
- It is cost effective due to grave recycling rates being much lower than single burial rates;
- Reduction of funeral costs.

DR J H LEIBBRANDT
CITY MANAGER
Paarl Post 6/5/2021

KENNISGEWINGS

Request for Proposals South African National Parks (SANParks) Table Mountain National Park Table Mountain National Park Apostle Battery accommodation and related tourism facilities

In line with SANParks' Strategic Plan for Commercialisation, SANParks intends to form a public private partnership (PPP) that gives a selected private party the rights to the appropriate commercial use of all the buildings, its natural and heritage components of the Apostle Battery site - A, B and C through a public private partnership (PPP) agreement. The Apostle Battery A, B and C sites and related tourism facilities cannot be taken separately and the private party is requested to tender for the entire Apostle Battery product. The private party is requested to operate, manage, and maintain all the facilities as mentioned.

SANParks invites prospective investors and operators to submit bids in line with SANParks' mandate and aims, in response to the SANParks' specifications and objectives for this tourism PPP opportunity.

SANParks will enter into a PPP agreement with the winning bidder for which is determined by the capital investment for a period of forty years likely to provide a fair return on investment for the private party. In return, the private party will meet agreed financial, environmental, operational and Broad-Based Black Economic Empowerment obligations, and pay a PPP fee to SANParks.

The request for proposals (RFP) document, containing all bid specifications and the draft PPP agreement, is available on our website www.sanparks.org

Enquiries can be sent to Wendy Davids, e-mail address: wendy.davids@sanparks.org

A due diligence briefing meeting for prospective bidders will be held via MS Teams on 19 May 2021 at 11h00. Please download the MS Teams app. Please mail us by 17 May 2021 to confirm your attendance for both the due diligence briefing and site meetings.

A due diligence site meeting for prospective bidders will be held at the Apostle Battery site, Table Mountain National Park on 25 May 2021. You must register your attendance as due diligence site meeting for prospective bidders will adhere to strict COVID-19 protocols such as social distancing, hand sanitizers, and the compulsory wearing of face masks, among others to ensure that our staff and visitors are safe.

Bidders are required to submit proposals, only in the format given in the RFP document to the South African National Parks, 643 Leyds Street, Muckleneuk, Pretoria, before 11:00. Closing date is the 13 September 2021 at 11h00. No late bids will be accepted.

The regulatory provisions for tourism PPPs can be found on www.ppp.gov.za.



TENDERKENNISGEWING: T53/20/21

LEWERING VAN ASFALTDIENSTE IN DIE SWARTLAND MUNISIPALE AREA VIR DIE TYDPERK TOT 30 JUNIE 2022

Swartland Munisipaliteit vra hiermee tenders aan vir die lewering van asfaltdienste in die Swartland Munisipale Area vir die tydperk tot 30 Junie 2022.

Tenderaars moet oor 'n CIDB-registrasie in 'n SB-klas vir konstruksiewerk beskik met 'n graderings-toekenning gelykstaande aan of hoër as die gradering wat bereken word op grond van die tenderbedrag of 'n waarde soos bepaal deur Regulasie 25 (1B) of 25(7A) van die Konstruksiebedryf-ontwikkelingsregulasies, 2004 (soos gewysig). Die geskatte waarde van die kontrak is tussen R20 miljoen en R60 miljoen.

Voorkeur sal gegee word aan tenderaars wat aan die kriteria voldoen wat in die Tenderdata gespesifiseer is. Slegs tenderaars wat aan die nakomingskriteria in die Tenderdata voldoen, sal toegelaat word om tenders in te dien.

Tenderdokumente kan vanaf Maandag, 10 Mei 2021 gedurende kantoorure vanaf 09:00 by die Kantore van die Direkteur: Siviële Ingenieursdienste, Swartland Munisipaliteit, Piet Retiefstraat, Malmesbury afgehaal word. 'n Nie-verhaalbare tenderfoel van R120,00, in kontant is aan die Swartland Munisipaliteit, betaalbaar by die afhaal van tenderdokumente.

'n Verteenwoordiger van die Munisipaliteit sal op aanvraag beskikbaar wees om hulp te verleen met die voorbereiding van tendervoorleggings, met uitsondering van die bepaling van die tenderprys. Tenderaars word versoek om mnr. Jonne Pieters by tel. 022 487 9400 voor die tendersluitingsdatum te skakel met navrae rakende die voltooiing van die skedule of tegniese of ander inligting oor die tender.

'n Verpligte opklaringsvergadering met verteenwoordigers van die Werkgewer sal op Dinsdag, 18 Mei 2021 om 10:00 registrasie sluit om 10:05 by die Swartland Munisipale Kantore, PEP Gebou, op die hoek van Hill- en Piet Retiefstraat in Malmesbury, plaasvind.

Tenders sal geëvalueer word ingevolge die Raad se Voorkeurvrykrygingsbeleid en die aangehegte spesifikasies. Die kontrak sal ingevolge die 80/20-voorkeurvrykrygstelsel geëvalueer word. Die Voorkeurvrykrygingsbeleid is gedurende normale kantoorure ter insae by die munisipale kantore beskikbaar.

Die Swartland Munisipaliteit onderskryf en ondersteun die Regering se Swart Ekonomiese Bemagtigingsprogram en is daartoe verbind om die ongelykheid van die verlede reg te stel. Tenderaars wat wil kwalifiseer vir die voordele van B-BBEE, moet Bylaag MBD 6.1 (deel van die tenderdokument) volledig voltooi ten einde punte te ontvang. Voorkeerpunte MOET ook in paragraaf 6.1 geëis word. Tenderaars word versoek om oorspronklike en geldige B-BBEE-statusvlak verifiëringstifikate of gewaarmerkte afskrifte daarvan in te dien, ten einde hul B-BBEE-graderingseise te substansieer. Die Munisipaliteit behou die reg voor om bewyse van bemagtiging aan te vra en te verseker dat die skop van werksgeleenthede teen gepaste vergoeding wel aan histories-benadeelde individue beskikbaar gestel word.

Volledig voltooide tenders 'n geseëde kovert, duidelik gemerk "T53/20/21: LEWERING VAN ASFALTDIENSTE VIR DIE TYDPERK TOT 30 JUNIE 2022", en met die naam en adres van die tenderaar, moet voor 12:00 op Vrydag, 11 Junie 2021, in die tenderbus by die Munisipale kantore, Kerkstraat 1, Malmesbury ingedien word, waarna tenders in die openbaar bekendgemaak sal word.

Laat tenders sal nie aanvaar word nie en die Munisipaliteit word nie daartoe verbind om die laagste, 'n gedeelte van 'n tender in geheel te aanvaar nie. Die Munisipaliteit behou die reg voor om enige deel van die projek weg te laat. Geen tender sal per telefoon, faksimile of e-pos aanvaar word nie. Tenderaars mag slegs op die uitgereikte tenderdokumentasie ingedien word. Voorskifte vir die versending, adressering, aflewering, opmaak en beoordeling van tenders word in die Tenderdata uiteengesit.

MUNISIPALE KANTOOR
PRIVAAT SAK X52
MALMESBURY
7 MEI 2021

JJ SCHOLTZ
MUNISIPALE BESTUURDER

www.swartlandmunicipality.co.za 142404



STELLENBOSCH STELLENBOSCH • PNIEL • FRANSCHHOEK MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Municipal Notice 34/2021

NOTICE:

APPLICATIONS FOR THE FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION PROVIDED BY THE POLICY FOR THE FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT: SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022

Notice is hereby given to external bodies performing a Municipal Function as provided by the Policy for the Funding of Bodies Performing a Municipal Function read with Section 80(2) of the Local Government: Municipal Systems Act, Act 32 of 2000, and who qualify for financial assistance, to apply in line with the aforementioned policy of the Stellenbosch Municipality.

Only organisations within the Stellenbosch (WC024) Municipality's administrative boundaries that provide a Municipal Function(s) for:

- Local Tourism; and
- Management and updating the Stellenbosch Municipality Heritage Inventory

Only applications received on the prescribed application form and accompanied by the required information, documentation, financial statements, covering letter, and supporting documentation received by the Office of the Manager: Economic Development & Tourism by no later than 12:00 midday on 21 May 2021 will be considered. Applicants will also be required to conduct a presentation, as noted in the application form, to the Evaluation Panel.

Copies of the said policy and application form is available during office hours from the Offices of the Section: Economic Development & Tourism located at:

- 58 Andringa Street, Stellenbosch, 7600
- or by email from:
- Sharon Pedro { Sharon.Pedro@stellenbosch.gov.za }. Tel: 021 808 8974

Downloadable copies of the documents are available on the Stellenbosch Municipal official website at: www.stellenbosch.gov.za

GARALDINE METTLER
MUNICIPAL MANAGER
APRIL 2021

Notice No:

Munisipale Kennisgewing 34/2021

KENNISGEWING:

AANSOEK OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERVAT IN DIE BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPAL FUNKSIE VERRIG, SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSWET, WET 32 VAN 2000 VIR DIE 2021 / 2022 FINANSIELE JAAR

Kennisname geskied Hiermee vir Eksterne Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Entiteite wat 'n Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelswet, Wet 32 van 2000 en wat kwalifiseer vir finansiële hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Plaaslike Toerisme
- Bestuur en Opdatering van die Stellenbosch Munisipale Erfenis Inventaris

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesel word van al die gevraagde inligting, dokumentasie, finansiële state, deklingsbrief, en stawende dokumentasie wat ontvang word by die Kantoor van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen 12:00 midday op 21 Mei 2021 sal oorweeg word. Aansoekers sal ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueeringspaneel.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme geleë te:

- Andringastraat 58, Stellenbosch, 7600
- of per e-pos by:
- Sharon Pedro { Sharon.Pedro@stellenbosch.gov.za }. Tel: 021 808 8974

Aflaaibare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
APRIL 2021

Kennisgewing Nr:

APPENDIX 2

APPLICATION:

**FUNDING OF EXTERNAL BODIES PERFORMING A
MUNICIPAL FUNCTION 2021/22**

Stellenbosch Heritage Foundation

Friday, 21 May 2021

Denielle Jooste (Epwp Data Capturer)

From: Denielle Jooste (Epwp Data Capturer)
Sent: 25 May 2021 10:08 AM
To: 'chairperson@stellenboschheritage.co.za'
Cc: Dudley Adolph (EDT Manager); Sharon Pedro
Subject: Confirmation of application: Financial year 2021/2022

Good Morning Lauren

I trust this email finds you well.

On behalf of Dudley Adolph (LED Manager), this email serves as a confirmation that we have received your application for funding, Financial year 2021/2022.

Thank you.



Kind regards,
Denielle Jooste
Local Economic Development
Data Capturer/ EPWP
Directorate: Planning & Economic Development

T: +27 21 808 8151 | F: +27 886 7323
58 Andringa Street, Stellenbosch, 7600 /
P O Box 17, Stellenbosch, 7599
www.stellenbosch.gov.za



Disclaimer and confidentiality note: The legal status of this communication is governed by the terms and conditions published at the following link:
http://www.stellenbosch.gov.za/main_pages/disclaimerpage.htm

Index

1. Application form
2. Addendum 1: Section E of application form describing specific projects
3. Financial Statements
4. Constitution
5. Minutes accepting the Constitution
6. Creditor Control Form
7. NPO Registration
8. Tax clearance certificate



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

APPENDIX A

Municipality • Umasipala • Munisipaliteit

**APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL
 FUNCTION 2016/17**

**NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE
 CONSIDERED**

PLEASE COMPLETE THE FOLLOWING:

A REGISTERED NAME OF ORGANISATION:

Stellenbosch Erfenis Stigting (145 – 382 NPO)
 (Stellenbosch Heritage Foundation)

**B DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED (INCLUDE
 BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):**

The Stellenbosch Heritage Foundation promotes sustainable conservation, architecture and urban design in and around Stellenbosch. It has been active as an independent organisation since 1959 and was registered as an NPO in 2014.

The Foundation encourages smart urban design and development that complements the fabric of the landscape and sense of place. Today's best innovations should endure as part of the future collective heritage.

The Foundation works closely with local authorities and provincial and national heritage resource agencies. We support the **National Heritage Resources Act**, which aims to enable and encourage communities to nurture and conserve their legacy. The preamble to the Act states that heritage, which is unique and cannot be renewed, has the potential to affirm our diverse cultures, to celebrate our achievements and to contribute to redressing to past inequities. It deepens our understanding of society and encourages us to empathise with the experience of others

C ADDRESS:

P.O. Box 12700
 Die Boord
 7613

Name and Surname: Lauren Buchanan (chairperson)

Tel: 084 580 1554

Email: chairperson@stellenboschheritage.co.za

D LIST ALLTHE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:

Name and surname: Lauren Buchanan

Position: Chairperson

chairperson@stellenboschheritage.co.za

Contact: 084 580 1554

Name and surname: Jolanda Morkel

Position: Vice-Chairperson

jolanda.morkel@gmail.com

083 262 9032

Name and surname: Lauren Buchanan

Position: Member of executive committee

lau.buchanan@gmail.com

082 444 4636

Name and surname: Lizelle Vos

Position: Independent treasurer

lizellevos@gmail.com

082 328 2528

Name and surname: Raymond Bouma

Position: Executive committee member

bouma@mweb.co.za

021 886 6017

Name and surname: Deon Carstens

Position: Vice-Chairperson

deon@annabasson.co.za

072 906 2717

Name and surname: Hannes van Zyl

Position: Executive committee member

hannesvzee@gmail.com

083 303 8544

D	<p>INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE: Wad N/A.</p> <p>Is the organisation a non-profit organisation? ☐ Yes</p> <p>If yes, registration number: 145 – 382 NPO (attach copy of registration certificate or proof of other affiliation where applicable)</p> <p>Is funding required for a specific project? ☐ Yes</p> <p>If yes, attach details separately.</p> <p>Budget amount of projects <u>excluding</u> *project 7 from section E: R312,904.00 Budget amount of projects <u>including</u> *project 7 from section E: R492,904.00 *The costing of project 7 is an estimate.</p> <p>Duration of project: June 2021 – 31 May 2022</p> <p>Is funding required for general support? ☐ Yes</p> <p>If yes, attach a copy of the organisation's overall budget and business plan.</p>
E	<p>CATEGORY</p> <p>Please categorise your application (mark with x):</p> <p>Local Tourism ☐</p> <p>Municipal Planning ☒</p> <p>Accommodation and burial of animals ☐</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p>Please refer to Addendum 1</p>
F	<p>THE FOLLOWING <u>MUST</u> ACCOMPANY THIS APPLICATION:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation's Constitution that is in the name of the applicant, signed and dated re acceptance. AGM minutes proofing the acceptance must be attached. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following:

	<ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. <ol style="list-style-type: none"> 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If you have received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If you received funding from other bodies, please identify and the amount 7. Proof of registration/affiliation. 8. Valid Tax Clearance and Tax Exemption documents.
G	<p>THE FOLLOWING SHALL APPLY:</p> <ol style="list-style-type: none"> 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. 2. An applicant who has been registered as a "non profit" organisation in terms of Section 13 of the Non Profit Organisation Act, 1997, <u>must</u> submit the necessary proof thereof together with its application. 3. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 4. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 5. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 6. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 7. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 8. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 9. Projects outside the boundaries of the Council will not be considered. 10. Subsequent requests from applicants to cover overspending on projects will not be considered. 11. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds.

12. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body has to:-
 - Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.
 - Report monthly on the actual expenditure of the amount allocated.
13. The Council reserves the right not to give funding to any or all organisations applying. Having been awarded funding previously does not give an applicant the right to receive a grant again.
14. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
15. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
16. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
17. Funding will not be considered where expenses have already been incurred on a project by the applicant.
(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H UNDERTAKING:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read; understood and will be complied with.

I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Stellenbosch on this. 21 day of May 2021

LJ Buchanan

LJBuchanan (May 21, 2021 10:11 GMT+2)

Chairperson / Authorised Representative

NB

Secretary / Duly Authorised Signatory

I PLEASE TAKE NOTE:

- (i) That completed application forms together with all the required documentation must be delivered to:

**The Local Economic Development Department (Attention: Mr R Honeywell)
P O Box 17
Stellenbosch
7599**

Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

- (ii) That the closing date for the submission of applications is: 20 December 2017 at 12:00

- (iii) That **neither late nor incomplete applications** shall be considered.

ADDENDUM 1:

FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

SECTION E: CATEGORY

The Stellenbosch Heritage Foundation is applying for funding for the following projects:

Project 1: Hosting and maintaining the heritage survey database for 2021

Commencement: May 2021

Completion: 28 Feb 2022

Number of people who will benefit: Unlimited

In 2012 Stellenbosch Heritage Foundation completed a survey of built structures of the Stellenbosch middedorp. Consultants and volunteers studied more than 500 heritage sites and established a website to host the survey electronically and store additional research and scanned archival documents.

The volunteer support kept the cost to R500,000. The website, with maps and GIS search facilities, cost R150, 000.00.

Civil servants, architects, heritage consultants, planners, students and the general public immediately started to use the webspace as a source of critical information. The Foundation responded increasingly to professional inquiries and the general public regarding the rating of properties and other queries.

In 2016, the Municipality commissioned Professor Fabio Todeschini and Liana Jansen to do the Cape Winelands Heritage Survey as a high-level survey of the Stellenbosch municipal district. The Foundation initially hosted this survey on its website and also answered related public queries.

Since 2014, when Heritage Western Cape approved the middedorp inventory, the Foundation proposed to transfer the survey data to the Municipality. It suggested the Municipality should integrate the data with the zoning and other municipal systems. The Municipality would also gain GIS capability. From 2014 to 2019, the Municipality held that it did not have the resources to maintain the database and answer public queries.

In May 2021, members of the Foundation met with officials from the Municipality's Heritage and GIS teams. In this meeting, the Municipal team indicated they could take ownership of the database by 2022. They suggested the Foundation should host and maintain the survey data for another year.

Project 1: Hosting, maintenance and handling queries related to the survey database for 2021	Hours	Cost per hour	Price per unit	Total
2021: 11 hours per month	137	437	R 60 000	
				<u>R 60 000,00</u>

Project 2: Backdating the maintenance because of an informal understanding that the Municipality would fund this function.

Commencement: 2017

Completion: 2019 (excluding 2020)

The Foundation did not intend to keep and maintain the survey database or answer queries on behalf of the Municipality.

Since 2014, when Heritage Western Cape approved the survey, the Foundation proposed to transfer the survey to the Municipality. It suggested the Municipality should integrate the survey with the zoning and other municipal systems. The Municipality would also gain GIS capability. The Municipality declined but suggested the Foundation apply for municipal funding for performing a municipal function.

The Foundation's initially applied for support to maintain the record of heritage and to answer inquiries. Still, the Municipal system only accommodated funding for specific projects. In 2015 and 2016, the Foundation received funding for particular projects, but not for maintaining the heritage survey or answering enquiries.

Project 2: Backdating the maintenance of the database	Hours	Cost per hour	Price per unit	Total
2017: 11 hours per month	137	437	R 60 000	
2018: 11 hours per month	137	437	R 60 000	
2019: 11 hours per month	137	437	R 60 000	
(Excluding 2020)				R 180 000,00

Project 3: Assisting the Municipality to add a link to the database on their website

Commencement: May 2021

Completion: 28 Feb 2022

Number of people who will benefit: Unlimited

The Municipal team indicated that they want a link to the Stellenbosch Heritage Survey on the Stellenbosch Municipal website. This link can be achieved by two methods:

Method 1: Redirecting the user to the Foundation's website

Adding a link to an appropriate page on the Stellenbosch Municipal website (<https://stellenbosch.gov.za/>). If the user clicks on this link, he/she will be transferred to the search facility of the survey data. Below is an image of the page:



Search database of buildings

Name of Building	Erf Number	Architectural Period
<input type="text"/>	<input type="text"/>	<input type="text" value="Please Select"/>
Street Name	Street Number	
<input type="text"/>	<input type="text"/>	

Please do not use 'street' or 'avenue' etc in street name criteria.

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Project 3, Method 1: adding a link which will transfer the user to the Foundation's website

	Hours	Cost per hour	Price per unit	Total
This work to be done by the Municipal official who maintains the Municipal website.	0	0	R 0	
				<u>R 0,00</u>

Method 2: Add an i-frame to the Stellenbosch Municipal website to display the survey search facility

Method 2 will enable the user to stay on the Municipal website and use the Foundation's search facility (below) which will be embedded in the Municipal website. The user will not know that he/she is interacting with the Foundation's website.



Search database of buildings

Name of Building	Erf Number	Architectural Period
<input type="text"/>	<input type="text"/>	<input type="text" value="Please Select"/>
Street Name	Street Number	
<input type="text"/>	<input type="text"/>	

Please do not use 'street' or 'avenue' etc in street name criteria.

Project 3, Method 2: Add an i-frame to the Stellenbosch Municipal website to display the survey search facility	Hours	Cost per hour	Price per unit	Total
Set-up of the i-frame and coding required to hide the Foundation's website's header and menu when displayed on the Municipal website	18	450	R 8100	
				<u>R 8,100.00</u>

Projects 4 – 8: Improvements to the data and the database

Commencement: May 2021

Completion: 28 Feb 2022

Number of people who will benefit: Unlimited

In May 2021 the Foundation met with members of the Municipal GIS and Heritage teams. In this meeting, five (5) projects were identified which will improve the survey data, so that when the Municipality is ready to take ownership, the data is updated and improved from its current form.

Project 4: Adding the Stellenbosch University inventory to the current database

In 2015 the Stellenbosch University commissioned a heritage survey of 136 buildings and open spaces on the campus. This inventory is a public document, but it is not electronically available to members of the public. The data should be added to the current survey database, so that all survey inventories can be consolidated in one database.

	Hours	Cost per hour	Price per unit	Total
<u>Project 4: Adding the 2015 SU inventory to the existing database</u>				
Additions to the database as the SU inventory have more fields than the 2021 survey	8	450	R3,600	
136 x 15 minutes per inventory item = 34 hours	34	437	R 14,858	
				<u>R 18 458,00</u>

Project 5: Updating the look and feel of the layout of the search results and the layout of the PDF

The 2012 survey of the Stellenbosch middedorp was the first electronic survey in South Africa. At the time of deploying the survey to a database, Heritage Western Cape was still in process of finalising and updating the layout of the downloadable

single page PDF document which need to accompany building applications. The current design was prescribed by Heritage Western Cape. (Below)

Pro DC (32-bit)

mpdf.pdf

Erf number	Date built	Type of building
645	pre-1817; ground floor woodwork c1830; double storey 1880s	Residential
Style	Architectural Period	Present NHRA protection
Georgian	Georgian	
Street Address	Alterations	Use
102 Dorp Street Stellenbosch		Dwelling
Date of Survey		Zoning
November 2009		
Name of the building	General Evaluation	Suggested Grading
Erf No 645	Significant	II
Description	History	Social History
"Double storey 1-bay house with raised moulded parapet with rectangular cast iron vents, rusticated and with rusticated quoins. Flat-arched flat stoops to first floor and Georgian fan casers to ground floor, all with bracketed hood mouldings. 4x4 door with sunrise fanlight flanked by 6x6 half-steps. Tiled stoop."	"Originally a single storey thatched H-shaped house, the woodwork of which was changed c1830."	
Significance in terms of NHRA		
	Very significant	Significant
Historical		
Rarity		
Aesthetical		
Technological		
Cultural		
Social History		
Slave History		

Date of photograph(s): November 2009



The layout of the PDF in the 2015 survey of the Stellenbosch University is visually more pleasing.

ADMINISTRATION BLOCK BY ADMINISTRATION BLOK B		UNIVERSITY BUILDING NUMBER: 1	
OTHER NAMES:		EPF 918	APPLICABLE LEGISLATION
PHYSICAL ADDRESS: Victoria Street		DATE: c.1905	OLDER THAN 60 YEARS:
ARCHITECT/SL: J.B. Coenraads			PREV. NATIONAL MONUMENT:
ORIGINAL USE: University administration bldg	CURRENT USE: University administration bldg		HERITAGE OVERLAY ZONE: X
HERITAGE VALUES			GAZETTE NUMBER: S.27 / S.34 / S.36 / X
RARITY:	ARCHITECTURAL: Medium		TITLE DEED RESTRICTIONS:
REPRESENTATIVITY: X	SOCIO-HISTORICAL: Medium		
EXCELLENCE:	ENVIRONMENTAL/CONTEXTUAL: High - urban pattern, symbolic as Rector's office		
INTEGRITY:	SCIENTIFIC/TECHNOLOGICAL: Medium		
AESTHETIC: X	SLAVERY: None		
SYMBOLIC:	CULTURAL: Medium		
ASSOCIATIONAL:	ETHNIC: Medium		
AGE:	ARCHAEOLOGICAL: Unknown		
HERITAGE ANALYSIS			
SITE & STRUCTURE DESCRIPTION:			
Three storey structure with basement and turret above double volume entrance. Granite plinth and steps, prevalent plaster lines, clock turret to turret above entrance. Tiled mansard roof with copper edging and flashing, plain eaves. Steel casement, paneled windows with pivot fanlights, ground floor windows shallow arched with mouldings above. Entire double volume entrance and doors are bronze. Terrazzo lobby with wrap-up skirting, terrazzo stair with metal balustrade with brass finial details. Vaulted corridors on two levels. RC frame.			
MAJOR ALTERATIONS: None.			
PHYSICAL CONDITION: Good condition, although some fittings and finishes are inappropriate, for instance the horizontal uplighters and carpeting in certain areas.			
STATEMENT OF SIGNIFICANCE:			
The building is architecturally intact and follows the pattern of university buildings in its form, height, materiality and detailing. The building has associated significance with education, and has symbolic significance as the Rector's office.			



The Foundation's database is written in such a way that the PDF is dynamically published every time it returns search results. In other words, the PDF document is not stored in the database. This method ensures that, when a record, this update

is published to the PDF. The construction and layout of the PDF is done with PHP in the code.

Commercial web design and layout have a lifespan of 2 years and 7 months. The layout of the search results display page is outdated and is due for a redesign. This is the page that will display on the Municipality's website if the survey data and search functionality is displayed in an i-frame. The current page looks like this:



This page and supportive technology urgently needs to be updated.

Project 5: Updating the look and feel of the layout of the search results and the layout of the PDF	Hours	Cost per hour	Price per unit	Total
Rebuild PDF property export and print templates according to new template supplied	24	450	R 10,800	
Updating the search technology and the look & feel	24	450	R 10,800	
				R 21,600.00

Project 6: Add a field to the database to accommodate additional information

The Foundation's website is rich in resources and include many research documents from archives; including scanned documents from the Municipality's archives. An example is the research documented by Penny Pistorius and Stewart Harris in 2004.

6	Mount Happy farm - Bengale	1440, 1441, 1308/4 (337, 339, 362, 363, 364, 1308)
33	Assegailbosch	359, 361
45	Old Nectar - Glenconner	345/14
47	Klein Gustrouw farm	334/20
49	Leef op Hoop farm	334/2
75	Lanzerac Hotel	327/7, 1087
83	Jonkershoek Farm	352/2, 352/4, 352/7
84	Swartbrug Filtration System	352/3
94	Jonkershoek Valley	n/a
95	Rozendal	328/7, 328/9, 328/12, 4795
96	Westridge	328/6
97	Bergsig farm	334/5
98	Lingen/ Le Cilliers	334/19
99	Konstanz farm	334/8
100	Waterfalls	350/2
102	Swiss Club	350/1
103	Oude Nektar farm (east portion)	345/1
104	Glen Conner farm	345/16
106	Vergencegd	321, 321/1, 1022
108	Pontrieux	350, 350/3, 350/4
109	Klein Lanzerac farm	327/5
110	Upper Lanzerac Farm	1321 (or 327/5), 334/27 (or 334/21)
111	River House	334/17
112	Topas	334/10
114	Die Eiland	334/3
115	Oude Nektar farm (west portion)	351, 334/4 (345/3, 345/4)
117	Rivierbosch	1086
118	Bo Gustrouw	334/1
119	Waaikinde farm	345/2
120	Fynbos	345/9
121	Glenconner/Eik in Hoek	345/7
123	Jonkershoek Nature Reserve	358
124	Dennegour	328/5
125	Olien	334/9

It would be ideal if additional research on a structure can be stored in the survey database and downloaded when the website returns a user's search results.

Project 6: Add a field to the database to accommodate additional information

Hours	Cost per hour	Price per unit	Total
-------	---------------	----------------	-------

New property field to enable upload of multiple documents. Amend property template to display new uploaded documents on front-end with link to download doc.

5	450	R2,250	
---	-----	--------	--

Load at least 20 documents from the archives and link it to the database

8	437	R3,496	
---	-----	--------	--

R 5,746.00

Project 7: Add the 2016 Cape Winelands Heritage Survey to the database

Currently, the data for the 3 heritage surveys are stored individually and not in a single database.

- The 2012 Middledorp survey is stored in the Wordpress database with ESRI mapping
- The 2015 University survey is available on hardcopy (PDF's) only
- The 2018 Winelands survey is also not hosted in the 2012 database

The cost of adding the Stellenbosch University survey is described in Project 4 of this document.

The cost of adding the 2018 Winelands survey is currently unknown, but can be specified if the Municipality requests it.

Project 7: Add the 2016 Cape Winelands Heritage Survey to the database

This project will entail time from Liana Jansen, as well as the Foundation's ESRI team and the Foundation's coding team. *

*This costing is a rough estimate

Hours

360

Cost per hour

R500

Total

R 180 000.00**Project 8: Amend the database to accommodate landscapes**

The current database design does not allow the grading of landscapes.

Project 8: Edit the database to allow landscapes

Hours

20

Cost per hour

R 9000

Total

*This costing is a rough estimate

R 9,000.00**Project 9: Update the current database**

Many buildings in the middorp have been upgraded, renovated or even demolished since the 2012 survey. We suggest an approach where a few important streets such as Dorp Street will be identified and updates will be done on the description and the pictures of the relevant properties. This should be done annually.

Project 9: Update 20 renovated or changed buildings' data and pictures

Buildings

20

Cost per building

R500

Price per unit

R 10,000

Total

Appoint a heritage specialist from the Stellenbosch Foundation to update the data of 20 buildings

R 10 000,00

Total for all projects (with the exclusion of Project 7) in this document: **R312,904.00**

Total for all projects including project 7: **R492,904.00**

STELLENBOSCH HERITAGE FOUNDATION (STELLENBOSCH ERFENIS STIGTING)

**Annual Financial Statements
for the year ended 31 March 2021**

FinHub Chartered Accountants Inc.
Chartered Accountants (SA)
Registered Auditors

These annual financial statements have been audited.

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Members	Ronel Wiese Fourie Deon Carstens - vice chair Jolanda de Villiers Morkel - vice chair Lauren Buchanan - chair person Raymond Bouma Amanda du Plooy Hannes van Zyl Antoinette Pienaar Chris Aucamp Elsabe Retief Nicolas Karremaker
Registered office	PO Box 3003 Matieland 7602
Auditors	FinHub Chartered Accountants Inc. Chartered Accountants (SA) Registered Auditors
Preparer	The annual financial statements were independently compiled by: Lizelle Vos with assistance from FinHub Accounting and Compliance Services Pty Ltd
Level of assurance	These annual financial statements have been audited.

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the management committee:

Index	Page
Management Committee Responsibilities and Approval	3
Management Committee Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Accounting Policies	11 - 12
Notes to the Annual Financial Statements	13
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	14

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Management Committee Responsibilities and Approval

The management committee is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the foundation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting described in Note 1.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The management committee acknowledges that they are ultimately responsible for the system of internal financial control established by the foundation and place considerable importance on maintaining a strong control environment. To enable the management committee to meet these responsibilities, the management committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the foundation and all employees are required to maintain the highest ethical standards in ensuring the foundation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the foundation is on identifying, assessing, managing and monitoring all known forms of risk across the foundation. While operating risk cannot be fully eliminated, the foundation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The management committee has reviewed the foundation's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the foundation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the foundation's annual financial statements. The annual financial statements have been examined by the foundation's external auditors and their report is presented on page 5 - 6.

The annual financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the management committee on19.May.2021..... and were signed on its behalf by:

Approval of annual financial statements



Lauren Buchanan

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Management Committee Report

The management committee has pleasure in submitting their report on the annual financial statements of Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting) for the year ended 31 March 2021.

1. Nature of business

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting) promotes sustainable conservation, architecture and urban design in and around Stellenbosch.

There have been no material changes to the nature of the foundation's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the foundation are set out in these annual financial statements.

3. Management committee

The members in office at the date of this report are as follows:

Members

Ronel Wiese Fourie
Deon Carstens - vice chair
Jolanda de Villiers Morkel - vice chair
Lauren Buchanan - chair person
Raymond Bouma
Amanda du Plooy
Hannes van Zyl
Antoinette Pienaar
Chris Aucamp
Elsabe Retief
Nicolas Karremaker

4. Borrowing powers

Borrowing capacity is determined by the management committee, from time to time.

5. Events after the reporting period

The management committee is not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The management committee believes that the foundation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The management committee has satisfied themselves that the foundation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The management committee is not aware of any new material changes that may adversely impact the foundation. The management committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the foundation.

7. Auditors

FinHub Chartered Accountants Incorporated continued in office as auditors for the Foundation for 2021.

**FINHUB CHARTERED ACCOUNTANTS INC.**

Practice no: 902979-0000
Chartered Accountants (SA)
Registered Auditors

Unit 15, Canal Edge 1, Tyger Waterfront,
Carl Cronje Drive, Bellville 7530
PO Box 5909, Tyger Valley, 7536

Tel: (021) 914 4824
Fax: (021) 914 4825

Independent Auditor's Report

To the management committee of Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Opinion

We have audited the annual financial statements of Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting) set out on pages 7 to 13, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting) for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the National Heritage Resources Act 25/1999.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the foundation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we would like to draw the attention to the fact that in common with similar organisations, it is not feasible for the foundation to institute accounting controls over cash collections from donations, prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Other information

The management committee is responsible for the other information. The other information comprises the information included in the document titled "Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting) annual financial statements for the year ended 31 March 2021", which includes the Management Committee Report as required by the National Heritage Resources Act 25/1999 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the management committee for the Annual Financial Statements

The management committee are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 to the financial statements and the requirements of the National Heritage Resources Act 25/1999, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the management committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management committee are responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.

We communicate with the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FinHub Chartered Accountants Inc

FinHub Chartered Accountants Inc.
E Vos
Director
Chartered Accountants (SA)
Registered Auditors

Date: 19 May 2021
Bellville

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R	2020 R
Assets			
Current Assets			
Cash and cash equivalents	3	103 295	34 542
Total Assets		103 295	34 542
Equity and Liabilities			
Equity			
Accumulated surplus		78 015	(245 920)
Liabilities			
Non-Current Liabilities			
Bridging finance	4	-	249 828
Current Liabilities			
Trade and other payables	5	25 280	30 634
Total Liabilities		25 280	280 462
Total Equity and Liabilities		103 295	34 542

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	6	553 500	112 255
Operating expenses		(229 993)	(201 750)
Operating surplus (deficit)		323 507	(89 495)
Investment revenue	7	428	717
Surplus (deficit) for the year		323 935	(88 778)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		323 935	(88 778)

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 April 2019	(157 142)	(157 142)
Deficit for the year	(88 778)	(88 778)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(88 778)	(88 778)
Balance at 01 April 2020	(245 920)	(245 920)
Surplus for the year	323 935	323 935
Other comprehensive income	-	-
Total comprehensive income for the year	323 935	323 935
Balance at 31 March 2021	78 015	78 015

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from (used in) operations		318 153	(100 879)
Interest income		428	717
Net cash from operating activities		318 581	(100 162)
Cash flows from financing activities			
Repayment of member loan		(249 828)	120 000
Net cash from financing activities		(249 828)	120 000
Total cash movement for the year		68 753	19 838
Cash at the beginning of the year		34 542	14 704
Total cash at end of the year	3	103 295	34 542

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the trust holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight-line	3

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

1.4 Tax

Tax expenses

The company is exempt of tax in terms of section 10(1)(cN) of the Income Tax Act.

1.5 Revenue

Revenue is derived from donations received.

Revenue is measured at the fair value of the consideration received or receivable, excluding sales and taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R				
2. Property, plant and equipment						
	2021	2020				
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	16 100	(16 100)	-	16 100	(16 100)	-
3. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Nedbank				93 295		24 542
PSG money market fund				10 000		10 000
				103 295		34 542
4. Bridging finance						
Bridging finance				-		(249 828)
The above loan is unsecured, bears interest at rates determined by the lender from time to time and has no fixed terms of repayment. The foundation has been granted the unconditional right to defer payment until 12 months after year end.						
5. Trade and other payables						
Trade payables				25 280		30 634
6. Revenue						
Donations				553 500		112 255
7. Investment revenue						
Interest revenue						
Bank				428		717
8. Taxation						
The company is exempt of tax in terms of section 10(1)(cN) of the Income Tax Act.						
9. Auditor's remuneration						
Fees				14 264		12 607

Stellenbosch Heritage Foundation (Stellenbosch Erfenis Stigting)

Annual Financial Statements for the year ended 31 March 2021

Detailed Income Statement

	Note(s)	2021 R	2020 R
Revenue			
Donations received		553 500	112 255
Operating expenses			
Accounting fees		2 310	2 310
Auditors remuneration	9	14 264	12 607
Bank charges		1 369	1 300
Consulting fees		10 000	-
Projects (Survey of Stellenbosch heritage trees; Further documentation of Grade I and Grade II landscapes; Long-term use and maintenance plan for Rhenish complex; Upgrade of website resources.)		180 414	159 643
Website expenses		21 636	25 890
		229 993	201 750
Operating surplus (deficit)		323 507	(89 495)
Investment income		428	717
Surplus (deficit) for the year		323 935	(88 778)

STELLENBOSCH ERFENIS STIGTING / STELLENBOSCH HERITAGE FOUNDATION

CONSTITUTION

This Constitution is to be constructed in a manner consistent with the intent of the provisions of the Constitution of the Republic of South Africa, and in assisting the implementation of the provisions and principles of the National Environmental Management Act 107/1998, National Heritage Resources Act 25/1999, National Heritage Council Act 11/1999.

The aim of this document is to provide a legal persona for all natural and legal personas to associate and pursue the objectives as stated.

1. NAME & ADDRESS

1.1. Name

The name of the organisation shall be The Stellenbosch Erfenis Stigting / The Stellenbosch Heritage Foundation (hereafter SES/SHF)

2. DEFINITIONS

- 2.1. **"Committee"** means the elected administrative body of the SES.
- 2.2. **"He/his/him"** means as reference to gender shall have the same meaning as the feminine form.
- 2.3. **"Member"** means a member of the SES.
- 2.4. **"Management Committee"** means the committee appointed from time to time by the members to run the business of the SES.

3. OBJECTIVES

3.1. The objectives of the SES are to, as a non-profit organisation:

- 3.1.1. Raise the general awareness and interest in heritage resources.
- 3.1.2. Assist national, provincial and local authorities generally and in particular to develop, disseminate and implement the principles and provisions, of the National Environmental Management Act, the National Heritage Resources Act as well as related Provincial Acts as amended from time to time.

- 3.1.3. Join and associate with other similar bodies nationally and internationally to further heritage objectives.
- 3.1.4. Assist, advise, comment and contribute on all issues of heritage importance when necessary, specifically to:
 - 3.1.4.1. Contribute to local aesthetics and conservation bodies;
 - 3.1.4.2. Comment, object and appeal when necessary to proposed developments, rezoning applications, subdivisions and/or threats to the cultural landscape;

3.2. The organisation shall exist in its own right, as an entity separate from its members and able to own property and other possessions and be able to sue and be sued in its own name.

4. LANGUAGE

4.1. Official Languages

- 4.1.1. English and/or Afrikaans will be the languages of the SES.
- 4.1.2. Other languages may be added by consent of a simple majority of members at a general meeting.

5. MEMBERSHIP

5.1. Qualification for Membership

- 5.1.1. Membership of the SES shall be open to all, in accordance with the rules prescribed by the committee from time to time and subject to the requirements set out below.

5.2. Classes of Membership

- 5.2.1. Ordinary membership shall include single, family or corporate members.

- 5.2.2. A general meeting shall be entitled to award Honorary Membership to any individual person, trust, company or organisation, of whatsoever nature, as it deems appropriate. In this event no annual fees or subscriptions shall be due or payable by such a recipient.

5.3. Admission & Regulation of Members

- 5.3.1. Application for admission or re-admission for membership, shall be lodged in writing on a prescribed form with the Secretary and must include payment of the subscription fee.
- 5.3.2. All members shall be deemed to have undertaken to abide by this Constitution.
- 5.3.3. A copy of this Constitution shall be kept by the SES and made available to members for scrutiny at their request.

5.4. Termination of Membership

- 5.4.1. A member shall cease to be a member upon a written submission of resignation, death, or if his membership is terminated in terms of this constitution.
- 5.4.2. Any member whose subscriptions are in arrears and after receiving three notices, shall automatically cease to be a member of the SES.
- 5.4.3. The committee may in its sole discretion and without having to give any reasons, refuse, suspend or terminate the membership of any member if it is of the opinion that such membership is not in the interests of the SES.
- 5.4.4. Should the membership of any member be terminated as provided in 5.4.3, such member shall be notified in writing by registered mail and shall be informed of this right to appeal such termination within a period of ten (10) days from the date of such notification. Any such appeal shall be made in writing and delivered to the Secretary of the SES within the prescribed period of time and shall be determined by a special sub-committee formed for such purpose, consisting of at least three office bearers of the SES, within seven (7) days of receipt of such appeal.

5.5. Membership Fees

- 5.5.1. Subscriptions and any other levies payable to the SES shall be determined yearly by the members at the AGM.

5.5.2. Subscription and levies shall be payable to the SES by each member on demand.

6. BUSINESS & AFFAIRS

6.1. Finance

6.1.1. The financial year end of the SES shall be 31st March.

6.1.2. The SES may not give any of its money or property to its members or office bearers. The SES may however pay members/office bearers for work or reimburse expenses that a member or office bearer has done/incurred for the SES as approved by the committee on condition that the payment constitutes reasonable amount for the work done. No member or office bearer may acquire any rights, title or interest in or to any of the assets of the SES.

6.2. Management committees and office bearers of the SES

6.2.1. The business and affairs of the SES shall be conducted by a management committee, consisting of six (6) members with a maximum of 12 members, duly elected yearly at the Annual General Meeting. **They are the office-bearers of the organisation.**

Over and above the SES elected Committee, any number of persons serving on other bodies in town, may be co-opted into the SES Committee to serve as co-opted committee members with a maximum of 20 members (8 to be co-opted). These co-opted committee members will have no vote but may offer suggestions during discussions of matters.

6.2.2. The office of Chairman shall be elected by the committee from their own ranks, at their first meeting held after having been elected by the members of the SES. The Chairman shall not be the same person for more than two (2) consecutive years.

6.2.3. The offices of vice-chair, secretary and treasurer shall be elected by the committee from their own ranks, at their first meeting held after having been elected by the members of the SES.

6.2.3.1. Office bearers will serve for a period of one year (a term), but may be re-elected thereafter, for a maximum of 10 (ten) consecutive terms. If a member of the management committee does not attend 3 (three) management committee meetings in a row, without having applied for and obtained leave of absence from the management committee, then the management committee can elect a new member to take that member's place. Should the office bearer's position be terminated as provided herein, such office bearers shall be notified in writing by registered mail and shall be informed of this right to appeal such termination within a period of ten (10) days from the date of such notification. Any such appeal shall be made in writing and delivered to the Secretary of the SES within the prescribed period of time and shall be

determined by a special sub-committee formed for such purpose, consisting of at least three office bearers of the SES, within seven (7) days of receipt of such appeal.

6.2.3.2. The management committee will meet at least quarterly.

6.2.3.3. **Quorum.** Fifty (50) percent of the committee members need to be at the meeting or be represented by a proxy to make decisions that are allowed to be carried forward. This constitutes a quorum for management meetings.

6.2.4. Duties and functions of all office bearers and members of the committee shall be formulated and tabulated by the management committee.

6.3. Powers & Duties

6.3.1. Subject to the terms of this constitution the management committee shall have the power to:

6.3.1.1. Acquire and control assets and generally deal with the property and funds of the SES, which shall include the making of investments for the purpose contained in this constitution, provided that all major capital expenditure or dealings in immovable property shall first be approved by members at a general meeting;

6.3.1.2. Initiate and defend legal proceedings in the name of the SES and perform all legal acts and execute such legal and other documents as may be necessary;

6.3.1.3. Co-opt additional members for the purpose of serving, in a temporary capacity, on the management committee, or any sub-committee, provided that not more than thirty per centum (30%) of the total number of members of the management committee, from time to time, may be so co-opted;

6.3.1.4. Delegate any of its powers to committees or sub-committees, consisting of a convenient number of members, for any purpose;

6.3.1.5. Nominate, co-opt or appoint any person to act on behalf, or to assist in, or to advise on, the management committee on the business and affairs of the SES. In particular, it may appoint an Advisory/Sub Committee. The functions and duties of the Advisory/Sub Committee will be determined by the management committee from time to time but without restricting the generality thereof, shall provide the management committee with such technical and related advice as is required for the fulfilment of the duties of the management committee, and shall meet and report to the management committee at least four (4) times in any one financial year;

6.3.1.6. The decisions taken by sub-committees (in the event that any sub committees are appointed) must be submitted to the management committee for approval/disapproval at its next meeting. All members of the organisation have to abide by decisions taken by the management committee.

6.3.1.7. Generally administer, and manage all the affairs of the SES.

6.4. Committee Meetings

6.4.1. The management committee may meet for the despatch of business, adjourn and otherwise regulate its meeting as it thinks fit save that:

6.4.1.1. Questions arising at any meeting shall be decided by a majority of votes;

6.4.1.2. In case of an equality of votes, the Chairman shall have a casting vote;

6.4.1.3. Meetings will be held at least four (4) times in each financial year.

6.4.2. The committee shall determine its own procedure for the notice of meetings and agendas.

6.4.3. **Quorum.** Fifty percent (50%) of committee members shall constitute a quorum (i.e. 4 members).

6.4.4. Minutes will be taken at every meeting to record the management committee's decisions. The minutes of each meeting will be given to management committee members at least 2 (two) weeks prior to the next meeting. The minutes shall be confirmed as a true record of proceedings, by the next meeting of the management committee, and shall thereafter be signed by the chairperson as a true reflection of the meeting.

6.5. Annual General Meeting (AGM)

6.5.1. An Annual General Meeting shall be held at least once in every twelve (12) month period and within six (6) months of the end of the financial year of the SES.

6.5.2. The date, time and place of said meeting will be set by the management committee and all registered members must be notified thereof in writing per e-mail or post, at least twenty one (21) days in advance of the proposed meeting.

6.5.3. The meeting may also be advertised in the local press if the management committee deems it necessary.

6.5.4. The agenda shall be determined by the management committee and must include:

6.5.4.1. A Chairman's review of the previous year's business;

6.5.4.2. An audited financial report of the SES's accounts for the financial year containing the financial statements of the SES and the appointment of an auditor to hold office from conclusion of the meeting until the conclusion of the next AGM of the SES.

6.6. Bank account

- 6.6.1. The organisation's financial transactions shall be conducted by means of a banking account in the name of the organisation.

6.7. Election of management committee and Chairperson

- 6.7.1. **Quorum for AGM.** A quorum for the Annual General Meeting shall be fifteen (15) members or twenty-five percent (25%) of the paid up members, whichever is the lesser number of members present in person or by designated proxy.
- 6.7.2. The procedure to be followed at any annual or general meeting of the SES shall be determined by the management committee and shall be included in the notice of the meeting.
- 6.7.3. Any member who is eligible to attend and vote at any meeting, but who will not be able to attend in person, shall be entitled to vote by way of proxy in the form and manner determined by the management committee.
- 6.7.4. At any meeting a resolution put to the vote of the meeting shall be decided by members on a show of hands, save that the Chairman of the meeting may determine, that a matter shall be determined by ballot and the election of committee members shall be by ballot.
- 6.7.5. A declaration by the Chairman that a resolution has on a show of hands been carried or not shall be conclusive.
- 6.7.6. In the case of an equality of votes, the Chairman of the meeting shall have a casting vote.

6.7.7.

6.8. Dissolution of the SES

- 6.8.1. The SES may be dissolved and/or reconstituted and/or merged with another association with similar purpose and objectives, in each case only:
 - 6.8.1.1. On a resolution passed by not less than two-thirds of members present, in person or by proxy, at a duly constituted meeting of members;
 - 6.8.1.2. On an application to the Supreme Court by any member, on the grounds that the SES has become dormant, or is unable to fulfil its purpose or objectives;
 - 6.8.1.3. On a merger, the assets of the SES shall be transferred to the association with which the merger is being effected;
 - 6.8.1.4. When the SES closes down, it has to pay off all its debts. After doing this, if there is any property or money left over, it will not be paid or given to the members of the organisation it will be donated to another non-profit organisation with similar objectives and that will be identified at that time by a general meeting of the SES.

6.9. Liability & Indemnity

- 6.9.1. Every member of the management committee or any subcommittee, agent or appointee of the SES shall be indemnified out of the funds of the SES against all costs, charges, expenses, losses and liabilities incurred by him in the conduct of the SES's business, or in the discharge of his duties.
- 6.9.2. No such person shall be liable for acts or omissions of any other such person by reason of his having joined in any receipt of money not received by him personally, or for any loss on account of defect of title to any property acquired by the SES, on account of the insufficiency of any security in, or upon which monies of the SES shall be invested, or for any loss incurred upon the ground whatsoever, other than his own wilful acts or defaults.
- 6.9.3. Every member's liability shall be limited to his/her unpaid subscriptions

7. Continued existence of organization

The SES will continue to exist even when its membership changes and there are different office bearers; unless it is dissolved in terms of 6.8 hereof and its assets transferred to a non-profit organisation with similar objectives. The SES will continue notwithstanding changes in the composition of its membership or office bearers and shall only be deemed to have become

dormant or unable to fulfil its purpose and/or objectives if it fails to comply with the requirements of any of the rules and regulations prescribed herein, or any conditions prescribed from time to time by the Department of Social Welfare or its successor in title or any other requirement of the law.

8. AMENDMENT OF THIS CONSTITUTION

8.1. General Meeting

This constitution may be amended at any general meeting of the SES, by a vote of at least two thirds of the members present, in person or by proxy.

8.2. Notification

Members must be notified of the meeting and the proposed amendments, not less than twenty one (21) days before the meeting.

8.3. Proposals

A proposed amendment to the constitution must be submitted to the management committee, in writing, for discussion at its next meeting or a general meeting for this purpose.

9. GENERAL

9.1. Disputes

- 9.1.1. If any dispute should arise at any committee or general meeting in regard to the interpretation of this constitution, the Chairman of the meeting shall rule thereon, provided that such ruling may be amended by a vote of at least two thirds of members present at the meeting.



ERFENIS STIGTING
STELLENBOSCH
 HERITAGE FOUNDATION

Minutes of Annual General Meeting, 8 October 2014, 18.00
Stellenbosch University Sasol Museum

Welcome

Chairperson Hannes van Zyl welcomed all members present, guest speaker, Professor Henri Comrie, graduate students from the Department of Architecture, Planning and Geomatics at the University of Cape Town, officials and guests. Apologies noted. The Meeting approved the minutes of the previous Annual General Meeting on September 2013.

Chairperson's report

- In the past year, Heritage Western Cape approved the Heritage Survey by the Foundation of more than 500 heritage sites in the Stellenbosch *Middedorp*. The Foundation is engaging with Stellenbosch Municipality about the future management of the Survey. The Survey is the first heritage survey in South Africa that will be electronically available to heritage officials and the general public. It is a necessary function for municipalities and a valuable management tool for heritage and spatial planning. Heritage Western Cape's approval is an important milestone and provides a platform to extend the Survey to other parts of the district.
- In the past year, the Foundation had reached out to other organisations and communities in the district. The intent was to maintain amicable and informal relations with other organisations in the field, and this will continue. Discussions highlighted two areas that could be considered for further consideration: non-material heritage and pre-colonial heritage.
- International and South African heritage bodies and heritage laws have not included non-material heritage within the guidelines and regulations for defining and managing heritage. It is a complicated matter, which the Foundation will begin to investigate within the South African context. After discussions with communities in Stellenbosch, the Foundation also had preliminary talks about expanded heritage documentation with Dr Antonia Malan of the University of Cape Town.
- On pre-colonial heritage, the Foundation engaged with Dr Janet Deacon, previously of the Department of Archaeology at Stellenbosch University and Chairperson Heritage Western Cape. In the past decades, progress in science, in the forensic capabilities of science, and new perspectives originating from the humanities have broadened our view of heritage. Dr Deacon had agreed to write a layman's introduction to pre-colonial heritage in Stellenbosch for the Foundation and present her paper with illustrations at a future public meeting of the Foundation.
- In Stellenbosch, as elsewhere, we are in the midst of debates about how heritage could or should be defined. We generally accept that history is seldom, if ever, neutral and that heritage is ever fragile. The Foundation participated in this ongoing debate, not from fixed positions but rather in a spirit of continuous exploration.

Change in Constitution

The Meeting approved a change in the Constitution approved in the interim by the Executive Committee of the Foundation. The changes were developed by the South African National Department of Social Development. It is of a technical nature to align with the South African Constitution. The Foundation is now 54 years old, which means that its Constitution did not in all respects align with new legislation regarding the functioning of public organisations in South Africa. The changes are significant but do not affect the core functions and aims of the Foundation.

Financial Statements

The Meeting approved the audited financial statements for the previous financial year. While the Foundation does not have significant cash resources, it manages to complete substantial projects, like the Heritage Survey, well within the available resources.

Presentation

With graduate students from UCT's Department of Architecture, Planning and Geomatics, Professor Comrie documented three charettes (workshops) on three Stellenbosch sites, Die Braak, Kayamandi and the Jonkershoek Valley. The Urban Design Institute of South Africa (UDISA) and the Foundation had organised the charettes as part of an international design conference. It enabled international and South African planners, engineers, architects, urban designers, and public professionals to work intensively together and bring local and international and different professional perspectives together to focus on the potential of the three Stellenbosch sites.

Signed: 23 October 2014

Hannes van Zyl

RESOLUSIE VAN DIE DAGBESTUUR VAN DIE STELLENBOSCH ERFENIS STIGTING,
10 OKTOBER 2013, STELLENBOSCH

Die dagbestuur van die Stellenbosch Erfenis Stigting besluit, na oorlegpleging met die uitvoerende komitee en lede van die Stigting, op wysigings in die grondwet, soos aanbeveel deur die Suid-Afrikaanse Nasionale Departement van Sosiale Ontwikkeling:

ADDENDUM TO THE CONSTITUTION OF THE STELLENBOSCH HERITAGE FOUNDATION

This Addendum amends the current constitution of the Stellenbosch Heritage Foundation dated 25 April 2007 by the addition of the following clauses/wording:

New Clause 3.2

- 3.2 The organisation shall exist in its own right, separately from its members, be able to own property and other possessions and be able to sue and be sued in its own name.

Clause 6.2.1, new wording added at the end of the first sentence of Clause 6.2.1

They are the office-bearers of the organisation.

New Clause 6.2.3.1

- 6.2.3.1 Office bearers will serve for a period of one year (a term), but may be re-elected thereafter, for a maximum of 10 (ten) consecutive terms. If a member of the management committee does not attend 3 (three) management committee meetings in a row, without having applied for and obtaining leave of absence from the management committee, then the management committee can elect a new member to take that member's place. The management committee will meet at least quarterly. Fifty (50) percent of the committee members need to be at the meeting or be represented by a proxy to make decisions that are allowed to be carried forward. This constitutes a quorum.

New Clause 6.2.5

- 6.2.5 Minutes will be taken at every meeting to record the management committee's decisions. The minutes of each meeting will be given to management committee members at least 2 (two) weeks before the next meeting. The minutes shall be confirmed as a true record of proceedings, by the next meeting of the management committee, and shall thereafter be signed by the chairperson.

New Clause 6.5.4.2.1

- 6.5.4.2.1 The organisation's financial transactions shall be conducted by means of a banking account.

New Clause 6.6.1.4

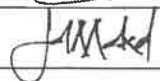
- 6.6.1.4 When the organisation closes down, it has to pay off all its debts. After doing this, if there is any property or money left over, it will not be paid or given to the members of the organisation. It will be donated to another non profit organisation that has similar objectives and that will be identified at that time by a general meeting of the organisation.

New Clause 6.3.1.4.1

- 6.3.1.4.1 The decisions taken by sub-committees (in the event that any sub committees are appointed) must be submitted to the management committee for approval/disapproval at its next meeting. All members of the organisation have to abide by decisions taken by the management committee.

Hannes van Zyl







STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

CREDITOR CONTROL FORM / KREDITEUR KONTROLE VORM

COMPANY DETAILS	CREDITOR CONTACT DETAIL / KREDITEUR KONTAK BESONDERHEDE (Supplier / Verskaffer, Organization / Organisasie)			
	REGISTERED NAME / GEREISTREERDE NAAM	Stigting Simon vld Stel H/A Stellenbosch Erfenis Stigting		
	PHYSICAL STREET ADDRESS / FISIIESE STRAAT ADRES:	POSTAL ADDRESS / POS ADRES: (If different to physical address)		
	STREET NAME:	PO BOX 3327	POSTAL CODE: 7602	
	SUBURB:	TOWN Matieland		
	TOWN:			
	POSTAL CODE:			
TEL: 082 328 2528	FAX / FAKS: n/a			
PERSON	CREDITOR CONTACT PERSON DETAIL / KREDITEUR KONTAK PERSOON BESONDERHEDE			
	NAME AND SURNAME / NAAM EN VAN	Lizelle Vos		
	TEL: 082 328 2528	FAX / FAKS:	CELL / SEL: 082 328 2528	
	EMAIL / EPOS: lizelle@gmail.com			
BANK DETAILS	CREDITOR BANKING DETAIL / KREDITEUR BANK BESONDERHEDE:			
	NAME OF BANK / NAAM VAN BANK	Nedbank		
	BANK ACCOUNT NAME / BANK REKENING NAAM	Stigting Simon vld Stel H/A Stellenbosch Erfenis Stigting		
	BANK ACCOUNT NUMBER / BANK REKENING NOMMER	107 1251422		
	BRANCH NUMBER / TAKKODE:	198765		
	ACCOUNT TYPE / TIPE REKENING	CHEQUE / TJEK	☒	BANK STAMP BANK STEMPSEL
		SAVING / SPAAR	☐	
		TRANSM	☐	
	VAT REGISTERED / BTW GEREISTREER	YES / JA	☐	VAT /
		NO / NEE	☒	BTW NO:

SIGNATURE / HANDTEKENING:

OFFICE USE / KANTOOR GEBRUIK		
CREDITOR NO / KREDITEUR NO:		
Create a new creditor / Skep van nuwe Krediteur		☐
Changing of creditors details / Verandering op Krediteur inligting		☐
Deleting of creditor / Uitwis van Krediteur		☐
REQUESTED BY: AANGEVRA DEUR:	DATE: DATUM:	DEPARTMENT: DEPARTEMENT
MOTIVATION: MOTIVERING:		
ENTERED BY: INGEVOER DEUR:	DATE: DATUM:	



social development
Department
Social Development
REPUBLIC OF SOUTH AFRICA

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[Top Tasks](#)
[DSO PERSONAL Login](#)

NPO Details: The Stellenbosch Erfenis Stigting

[Registered](#)

Registration No.: M5-382 NPO

Culture and Recreation › Culture and Arts › Historical, literary and humanistic societies

Voluntary Association

Registered on 10/11/2014

Whistle Blow!

Are you aware of a problem at this Organisation? If so report the problem and help make the NPO sector a more effective one!

Your Name

optional



A

Your Email

optional



Problem you would like to report

Required

Confirm that you are human

Required

Captcha

exRp

Refresh

Retype

Inspect

Submit



TAX COMPLIANCE STATUS

PIN Issued

STELLENBOSCH ERFENIS STIGTING
PO BOX 3327
MATIELAND
7602

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)

SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9200936236

Always quote this reference
number when contacting SARS

Issue Date: 2021/05/21

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Stellenbosch Erfenis Stigting
Trading Name	STELLENBOSCH ERFENIS STIGTING
Tax Reference Number(s)	IT - 9200936236
Purpose of Request	Good Standing
Request Reference Number	0043524319GS2105211154155
PIN	989AC7G37H
PIN Expiry Date	21/05/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely

ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

Tax Exemption Unit



South African Revenue Service

Office
Head Office

Enquiries
Mr W Molotsi

Telephone
(012) 483 1534

Facsimile
010 208 3301

PBO Reference No.
930066075

Income Tax Reference No.
9200936236

Date
02 August 2019

The Representative
STELLENBOSCH ERFENIS STIGTING
PO BOX 3327
MATIELAND
7602

271 Veale Street
Brooklyn, Pretoria
PO Box 11955, Hatfield, 0028
Tel: +27 (12) 483-1700
www.sars.gov.za
teu@sars.gov.za

Dear Sir / Madam

**APPLICATION FOR INCOME TAX EXEMPTION APPROVED: STELLENBOSCH
ERFENIS STIGTING; PBO NO 930066075**

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act with effect from 01 April 2016. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
2. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.

In order to maintain your exempt status, the following conditions must be complied with:

1. Amend the constitution to comply with the requirements of section 30 of the Income Tax Act. The following clauses must be added –
 - a) At least three persons who accept fiduciary responsibility for the public benefit organisation will not be connected persons in relation to each other, and no single person directly or indirectly controls the decision making powers relating to such organisation.
 - b) Dissolution clause must be amended to state that on dissolution of the public benefit organisation, the remaining assets must be transferred to –
 - i) A public benefit organisation, which has been approved in terms of section 30 of the Act.
 - ii) Any institution, board or body which is exempt from the payment of income tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity; or
 - iii) Any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b) of the Act.

- c) The activities of the organisation are carried on in a non-profit manner and with an altruistic or philanthropic intent.
- d) No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation otherwise than by way of reasonable remuneration.
- e) The funds of the public benefit organisation will be used solely for the objects for which it was established.
- f) No funds will be distributed to any person (other than in the course of undertaking any public benefit activity).
- g) The public benefit organisation will not be a party to, or does not knowingly permit, or has not knowingly permitted, itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under this Act or any other Act administered by the Commissioner;
- h) No resources will be used, directly or indirectly, to support advance or oppose any political party.
- i) No remuneration will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.
- j) No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i), which has as its sole or principal object the carrying on of any public benefit activity) may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- k) A copy of all amendments to the constitution will be submitted to the Commissioner for the South African Revenue Service.

A copy of amended founding document incorporating the above must be submitted to this office within 12 months by:

- Scanning and emailing the document to teu@sars.gov.za or
 - Submitting at the nearest branch
2. Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling or manually. Your IT12EI can be obtained by
- Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
 - Calling the SARS Contact Centre on 0800 00 SARS (7277)
 - Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
 - Requesting an IT12EI by visiting your local SARS branch.

3. SARS must be informed in writing within 21 days of any change in registered particulars (e.g. Representative, change of name, address, trustee details, office bearers, etc.).
4. **Note that this letter is not an approval in terms of section 18A of the Income Tax Act and therefore no tax deductible receipts may be issued to the donors.**

For further information or assistance, email your query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely



W Molotsi

Tax Exemption Unit

ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE

157

BOY LOUW INCORPORATED
188 MAIN ROAD
PAARL
7646

Prepared by me

CONVEYANCER
MONIQUE CHRISTINA SCHREUDER
LPCM 21931

CONSENT

I the undersigned,

GERALDINE LEZETTE METTLER

in her capacity as **Municipal Manager** of the **STELLENBOSCH MUNICIPALITY**
acting for and on behalf of and duly authorised hereto by a **Resolution** of the
said Municipality

as the owner of a sewer pipeline servitude 5 (five) metres wide of which the centre line is indicated by the line A B C D E F G H J K L on Servitude Diagram S.G. No. 3232/2014 as registered in terms of a Notarial Deed of Servitude No. K903/2015S (hereinafter called "**Sewer Pipeline Servitude**") over:

REMAINDER OF THE FARM LA MOTTE NO. 1227
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE

IN EXTENT: 112,7547 (ONE HUNDRED AND TWELVE COMMA SEVEN FIVE FOUR SEVEN) HECTARES

HELD by Deed of Transfer No. T35400/1970

(hereinafter called "**Remainder of the Farm La Motte No. 1227**")

DO HEREBY CONSENT to the registration over the Sewer Pipeline Servitude of a servitude road, 6 (six) metres wide, up to the middle of the French Hoek River, the centre line of which servitude road is represented by the curvilinear line a b on Servitude Diagram S.G. No. 953/2016 (hereinafter called "**Servitude Road**") in favour of –

REMAINDER OF PORTION 5 OF THE FARM LA MOTTE NO. 1037
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE

IN EXTENT: 8893 (EIGHT THOUSAND EIGHT HUNDRED AND NINETY THREE) SQUARE METRES

HELD by Deed of Transfer No. T67755/1994

and

**THE FARM NO. 1043
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 1,6780 (ONE COMMA SIX SEVEN EIGHT ZERO)
HECTARES**

HELD by Deed of Transfer No. T39637/2015

and

**PORTION 1 OF THE FARM LA MOTTE NO. 1227
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 7,9600 (SEVEN COMMA NINE SIX ZERO ZERO)
HECTARES**

HELD by Deed of Transfer No. T9153/1996

and

**PORTION 2 OF THE FARM NO. 1403
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 17,7832 (SEVENTEEN COMMA SEVEN EIGHT THREE TWO)
HECTARES**

HELD by Deed of Transfer No. T95486/2003

and

**PORTION 1 OF THE FARM NO. 1403
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 14,3462 (FOURTEEN COMMA THREE FOUR SIX TWO)
HECTARES**

HELD by Deed of Transfer No. T95486/2003

and

**PORTION 3 OF THE FARM NO. 1403
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 1,9257 (ONE COMMA NINE TWO FIVE SEVEN)
HECTARES**

HELD by Deed of Transfer No. T95486/2003

and

**PORTION 7 OF THE FARM NO. 1609
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 11,9224 (ELEVEN COMMA NINE TWO TWO FOUR)
HECTARES**

HELD by Deed of Transfer No. T19423/2017

and

**PORTION 1 OF THE FARM NO. 1395
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 2,5482 (TWO COMMA FIVE FOUR EIGHT TWO)
HECTARES**

HELD by Deed of Transfer No. T68248/2015

and

**THE FARM NO. 1042
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 1,7731 (ONE COMMA SEVEN SEVEN THREE ONE)
HECTARES**

HELD by Deed of Transfer No. T20542/1985

and

**REMAINDER OF PORTION 1 OF THE FARM LA MOTTE NO. 1048
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 1,6798 (ONE COMMA SIX SEVEN NINE EIGHT)
HECTARES**

HELD by Deed of Transfer No. T22600/2015

and

**REMAINDER OF PORTION 4 OF THE FARM NO. 1609
IN THE STELLENBOSCH MUNICIPALITY
PAARL DIVISION
WESTERN CAPE PROVINCE**

**IN EXTENT: 6,4383 (SIX COMMA FOUR THREE EIGHT THREE)
HECTARES**

HELD by Deed of Transfer No. T14460/2021

to the extent that the said Servitude Road overlaps with the said Sewer Pipeline Servitude area referred to in the said Notarial Deed of Servitude No. K903/2015S.

DATED at STELLENBOSCH on this day of 2021.

AS WITNESSES:

1. _____ **GL METTLER**

2. _____

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS
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10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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SEE IN-COMMITTEE DOCUMENTATION

ADDITIONAL ITEMS

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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7.2.1	REPORT IN REGARD TO THE AUCTION 3 COUNCIL ERWEN IN ONDERPAPEGAAIBERG: DISPOSAL OF ERF 4810 (3 SWAWELAAN) ,ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

15 June 2021

1. SUBJECT:REPORT IN REGARD TO THE AUCTION 3 COUNCIL ERWEN IN ONDERPAPEGAAIBERG: DISPOSAL OF ERF 4810 (3 SWAWELAAN) ,ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH

2. PURPOSE

To inform Council of the outcome of the auction that took place on 29 June 2021 and to request Council to consider the disposal of three erven, erf 4810,4811 and erf 4812 to the highest bidders at the auction.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

Erf 4810 and 4811 (3 and 3A Swawellaan) as well as 6 Tinktinkie street) were used as rental properties for council employees and have been vacant for a long period. Stellenbosch Municipality is the owner of the three erven. Council resolved in October 2020 to have the erven sold by Public Auction.

The municipality obtained a valuation from a valuator for the properties which was lower than the general valuations.

Erf number	Street Address	Extent of property	Municipal Valuation	Valuation report
4810	3 Swawellaan	987m ²	R1,926,000.00	R1 200 000.00
4811	3A Swawellaan	987m ²	R1,810,000.00	R1 200 000.00
4812	6 Tinktinkie Street	1056m ²	R1,849,000.00	R1 900 000.00

The Municipal Manager then decided to set the reserve price for the valuations at the general valuation price. The terms of the auction is attached as **APPENDIX 1**.

At the auction that took place on 29 April 2021 at the property bidders were also allowed to bid on line. The provision that the erven must be sold to different bidders were observed and the highest bids received at the auction was as follows:

Erf number	Street Address	Extent of property	Reserve price	Highest bid
4810	3 Swawellaan	987m ²	R1,926,000.00	R 2 150 000.00
4811	3A Swawellaan	987m ²	R1,810,000.00	R 2 160 000.00
4812	6 Tinktinkie Street	1056m ²	R1,849,000.00	R 2 150 000.00

5. RECOMMENDATIONS

- (a) that Council consider the disposal of the 3 erven to the bidders that bid the highest at the auction;
- (b) that the Municipal Manager be authorised to conclude the sale agreements;
- (c) that the municipality will request a certificate of registered titles as the properties have not been registered as separate titles;
- (d) that the new buyer register the property from the mother erf (3721) at their own costs

6. DISCUSSION / CONTENT

6.1 Background

Council has a lot of rental stock that in the past have been reserved for Council employees. The housing administration, who manage the rental stock, was requested to review the current allocation policy. That policy is under discussion at the LLF before being submitted to council for approval. The principle is that council should, wherever possible dispose of the separate rental properties for employees except where the properties are linked to the presence of an employee on the premises to deliver the municipal services. The maintenance of the properties creates a huge burden on council finances; also agreements lead to properties not being vacated when the employees' contracts are terminated and other people move in with employees and then remain in the properties after the employees move out. The properties are not looked after by the residents. The properties in question were vacated in 2017, 2018 and January 2020 respectively and have not been allocated to other employees since.

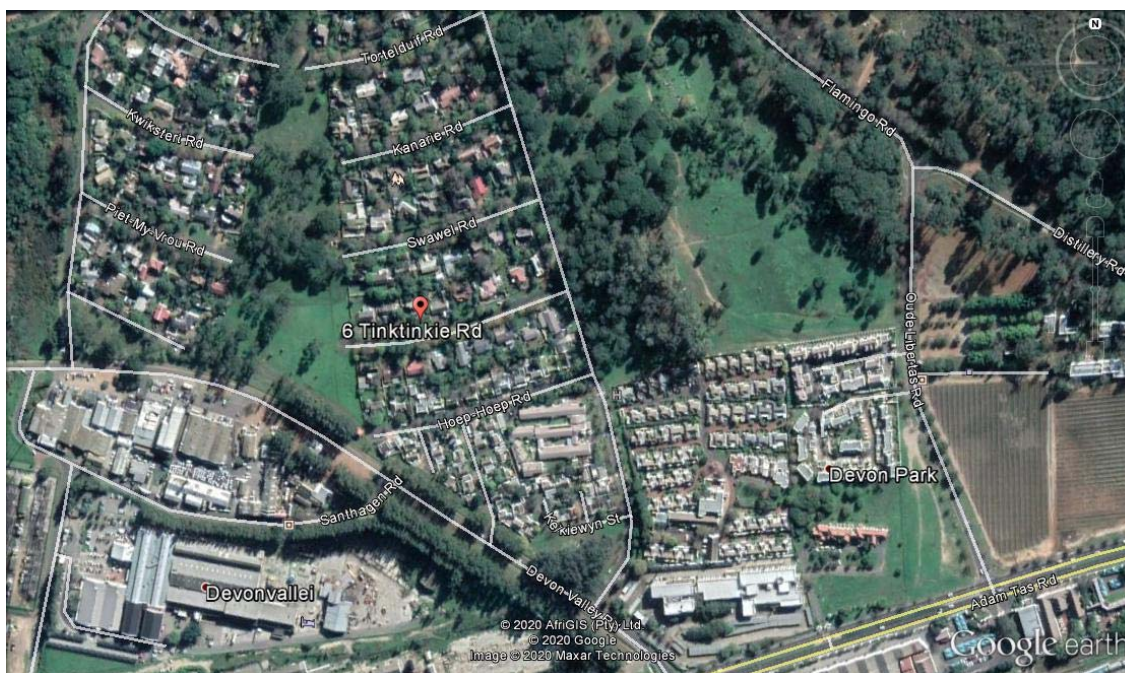
6.2. DISCUSSION

6.2.1 Location and context

The three properties are located in the town ship in Stellenbosch known as "Onder Papegaaiberg". Council owns several properties in this area that was allocated to employees in the past. As the properties are currently vacant and have been vacant for a long time it has been vandalised quite badly and a lot of complaints are received. There is no employee whose rights are affected as the properties are vacant and disposal can go ahead without waiting for the new staff allocation policy to be approved.

6.2.2 Property description**6.2.2.1 3 Swawelaan (erf 4810) – 987 vierkante meter (appendix 2.1)****6.2.2.2 3A Swawelaan (erf 4811) – 987 vierkante meter (Appendix 2.2)**

6.2.2.3 6 Tinktinkie Street (erf 4812) – appendix 2.3 – 1056 vierkante meter



6.2.3 Ownership

The ownership of all three properties vests with Stellenbosch Municipality by virtue of Title Deed T280/1972. The properties have not yet been registered as separate properties in the deeds office although sub division has taken place and is registered with the authorities.

The municipality will request a certificate of registered titles and the new buyer will have to register the property from the mother erf (3721) at their own costs.

6.3 Financial Implications

The disposal is recommended on market related prices set as a reserved price. The municipality will have to pay an auctioneer.

6.4 Legal Implications

Municipal Finance management act, no 56 of 2003 (MFMA)

In terms of section 14(1) of the MFMA *"a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services."*

Further, in terms of sub-section (2)

" a municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

- (a) *has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*

- (b) *has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset."*

In terms of subsection (5) *"any transfer of ownership of a capital asset in terms of subsection (2) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.*

Municipal Asset Transfer Regulations(ATR)

In terms of Regulation 5 of the ATR :-

"1) A municipality may transfer or dispose of a non-exempted capital asset only after—

- (a) *the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and*
- (b) *the municipal council—*
 - (i) *has made the determinations required by section 14(2)(a) and (b)* and*
 - (ii) *has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.*
- (2) *Sub-regulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value *capital asset.*

* i.e. in excess of R50M

Property Management Policy

In terms of par.7.2.1 of the policy, ***"unless otherwise provided for in this policy*, the disposal of Viable Immovable property shall be effected-***

- (a) *by means of a process of **public competition**; and*
- (b) ***at market value** except when the public interest or the plight of the poor demands*

*Further, in terms of par.7.2.3, before alienating Immovable property or rights in Immovable property the Municipality shall be satisfied that **alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immovable property or Property rights is retained by the Municipality.***

In term of par.9.1 of the Policy, the Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immovable property:

- a) *The type of a formal tender may vary, depending on the nature of the transaction:*
 - i) *Outright tender may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.*
 - ii) *Qualified tenders/call for proposals will be appropriate where the Immovable property ownership position is complex or the development proposals for the*

Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.

- iii) *Call for proposals on a build-operate transfer (B.O.T) basis will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.*
- b) *The nature of the formal tender process is that a legally binding relationship is formed between the parties when the Municipality accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer's details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance in writing of a tender by the Municipality.*
- c) *Such a process may, depending on the nature of the transaction, include a two-stage or two- envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage.*

Public Auction

- a) *Disposal by public auction may be appropriate where there is no obvious potential purchaser and where speed and the best price can be obtained by auction.*
- b) *The decision to dispose of Immovable property by way of public auction must be recorded in writing and must include-*
 - (i) *the reasons justifying a disposal by public auction;*
 - (ii) *the reserve price, if any, for the auction;*
 - (iii) *the authority for a staff member to attend the auction and to act on behalf of the Municipality.*
- c) *The contract for sale or lease must be ready for exchange at the auction.*
- d) *The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.*
- e) *The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable property, and to the Municipality's strategic objectives.*
- f) *Where the services of an auctioneer are utilised, the auctioneer's commission shall be payable by the successful bidder and shall not form part of the financial offer to the Municipality.*

6.5 Staff Implications

No additional staff implications.

6.6 Previous / Relevant Council Resolutions**38TH COUNCIL MEETING: 2020-10-28: ITEM 11.2.4****RESOLVED** (majority vote)

- (a) that Erf 4810, Erf 4811 and Erf 4812 Stellenbosch, be identified as land not needed to Provide the minimum of basic services;
- (b) that Council approves the disposal of the 3 erven by public auction at a market related price with a reserve set price determined by a valuation;
- (c) that the Municipal Manager be authorised to conclude the sale agreements after the auction, provided that the sale prices are not lower than the reserve price; and
- (d) that the three erven be disposed of two different buyers.

The following Councillors requested that their votes of dissent be minuted:

Cllrs FT Bangani-Menziwe (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.

6.7 Risk Implications

Addressed in the item.

6.8 Comments from Senior Management

Comments were only requested from the CFO and Municipal Manager.

6.8.1 CFO

Attended the auction in person on behalf of the Municipality and supports the recommendations

6.8.2 Municipal Manager:

Supports the recommendations

ANNEXURES: **Appendix 1: Council resolution 28/10/2020**
 Appendix 2: Terms of Reference for the auction
 Appendix 3: Report from auctioneer

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@stellenbosch.gov.za
REPORT DATE	11 June 2021.

APPENDIX 1

11.2.4	POSSIBLE DISPOSAL OF ERF 4810 (3 SWAWELAAN), ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH
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Collaborator No:

IDP KPA Ref No: Good governance and Compliance

Meeting Date: 14 October 2020 and 28 October 2020

1. SUBJECT: POSSIBLE DISPOSAL OF ERF 4810 (3 SWAWELAAN), ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH

2. PURPOSE

To consider the disposal of three erven in Onder Papegaaiberg, erf 4810, erf 4811 and erf 4812 through public auction.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

Erf 4810 and erf 4811 (3 and 3A Swawelaan), as well as 6 Tinktinkie street were used as rental properties for council employees and have been vacant for a long period. When the employment contracts of the previous lessees ended, it was resolved not to lease the properties again to employees before a new council policy on allocation of rental housing to employees has been approved.

Stellenbosch Municipality is the owner of the three erven. Council is in the process of consultation on the new housing allocation policy for employees, and one of the principles of the new policy is to do away with rental properties for employees, except where an employee on the property and in the rental unit is linked to the work the employee is responsible for on a specific site. The vacancy of the three properties has led to vandalism and it is expected that each of the properties will cost at least R200 000 to upgrade to a liveable condition.

It would be a better option to sell the properties as is than to undertake the repair work and to take the costs for the repairs and maintenance into consideration when selling the properties than to go through a tender process for the repair and maintenance, appointment of contractors and then after the repairs are complete, to guard the houses until it can be sold. It is recommended that a minimum price be set at the auction based on an evaluation of market value of the properties and to dispose of the three erven through a public auction process. The properties are unlikely to be worth more than R10 million each. The current general valuation is as follows:

Erf 4810 - R1, 926,000.00 (One million nine hundred and twenty-six thousand rand)

Erf 4811 - R1,810,000.00 (One million eight hundred and ten thousand rand)

Erf 4812 – R1,849,000.00 (One million eight hundred and forty-nine thousand rand)

MINUTES

38TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY**38TH COUNCIL MEETING: 2020-10-28: ITEM 11.2.4****RESOLVED** (majority vote)

- (a) that Erf 4810, Erf 4811 and Erf 4812 Stellenbosch, be identified as land not needed to Provide the minimum of basic services;
- (b) that Council approves the disposal of the 3 erven by public auction at a market related price with a reserve set price determined by a valuation;
- (c) that the Municipal Manager be authorised to conclude the sale agreements after the auction, provided that the sale prices are not lower than the reserve price; and
- (d) that the three erven be disposed of to different buyers.

The following Councillors requested that their votes of dissent be minuted:

CLlrs FT Bangani-Menziwe (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@ Stellenbosch.gov.za
REPORT DATE	13-10-2020

APPENDIX 2

MAY 2021



**TERMS AND CONDITIONS OF SALE OF IMMOVABLE
PROPERTY BY PUBLIC AUCTION
(INCORPORATING A SURETYSHIP)**

Place of Auction: SIMULCAST Date of Auction: 29 MAY 2021 Time of Auction: 9:00am

**RILEY AUCTIONEERS (PTY) LTD
3 BERKSWELL ROAD
GRESSWOLD, GAUTENG
(the "Auctioneer")**

Mandated on behalf of and duly instructed by

**STELLENBOSCH MUNICIPALITY
T280/1972**

"Hereinafter referred to as the "Buyer"

intends to and hereby offers for sale by public auction to prospective Purchasers the following property more fully described as:

ERF 4811 STELLENBOSCH, WESTERN CAPE

("the Property")

measuring approximately: **(987 sqm)** in extent

Situated at:

ONDER PAPEGAAIBERG, STELLENBOSCH

INTRODUCTION

The Auctioneer undertakes in terms of what is herein set out and its mandate and authority granted to it by the Seller, to sell the aforementioned property by public auction on behalf of the Seller, to the Purchaser on the following terms and conditions and according to the published Rules of Auction:

1. AUCTION PROCEDURE:

- 2.1 The terms and conditions of this agreement incorporate the Rules of Auction which is available on the website at www.rileyauctions.co.za and are available from the Auctioneer's offices on 011 440 5663. The Rules will also be available at the auction.
- 1.2 The Auctioneer shall have the sole and exclusive control and the right to regulate any bidding as it may arise, which rights include the authority to correct any error made by him, whether by commission or omission.
- 1.3 Should the Auctioneer have any reason to believe that a Purchaser is not able to pay the deposit or the purchase price, he is entitled to refuse an Offer from such a Purchaser, or accept it provisionally, until he is satisfied that the Purchaser is able to pay the aforesaid amount. Should an offer be rejected under these circumstances, the Sale Object can immediately be put up for sale again.
- 1.4 The highest bidder, whose bid is accepted by the Auctioneer upon the fall of the hammer, shall subject to acceptance of his bid by the Seller, become the Purchaser. Should any dispute arise, the Auctioneer's decision and determination concerning the same shall be final and binding upon the parties.
- 1.5 The Auctioneer may, if so mandated by the Seller, forthwith at any time after the fall of the hammer, specifically and unequivocally accept on behalf of the Seller the highest bid from the highest bidder and so cause a firm agreement to come into being between the Seller and the Purchaser, on the basis that the property has been sold to the Purchaser on the terms and conditions contained herein.
- 1.6 The Auctioneer on behalf of the Seller, the Seller or either's representative may bid at the auction on behalf of the Seller up to the reserve price, if any.

- 2.1 The parties undertake as soon as possible to sign and complete all documents required to give effect hereto as required by the Auctioneer and / or the transferring attorney ("the conveyancer") appointed by the Seller.

2. PURCHASE PRICE:

- 2.1 The purchase price of the property (being the highest bid at the auction or subsequent improved offer – see paragraph 4 below) is R_____

excluding value added tax (if applicable) and is payable as set out hereunder:

- 2.2 A deposit equal to **10% (ten percent)** of the purchase price is payable by the Purchaser to the Auctioneer on signature hereof by the Purchaser, which amount will be held by the Auctioneer (in a non-interest bearing account) pending acceptance of the bid by the Seller. Thereafter, the Auctioneer shall pay over to the Seller or the Seller's conveyancer (at the election of the Seller or the Auctioneer) the said deposit amount (hereinafter referred to as "the trust amount"), after deducting agreed costs, disbursements and expenses.
- 2.3 The balance of the purchase price will be paid over by the Purchaser to the Seller or the Seller's conveyancer (again at the election of the Seller or the Auctioneer) within **30 (thirty)** calendar days of acceptance of this agreement by the Seller, or shall be secured by a bank guarantee, or guarantees, as required by and on terms acceptable to the Seller and the conveyancer within the same **30 (thirty)** calendar days aforesaid from date of acceptance of this agreement, which guarantees shall be payable against registration of transfer of the property into the name of the Purchaser.
- 2.4 The Purchaser hereby authorises the Auctioneer, upon written acceptance of this agreement by the Seller, to pay over the trust amount to either the Seller or the Seller's conveyancer (as nominated by the Seller or its Agent) and the conveyancer to utilise such portion of the trust amount as may be required for the purpose of obtaining clearance figures. The Seller and the Purchaser hereby irrevocably instruct and authorise the recipient to invest the trust amount in an interest bearing trust account, such as contemplated in terms of Section 86(4) of the Legal Practise Act No 28 of 2014 where the interest accrues for the benefit of the Seller.

3. SALE OF A PROPERTY AS PART OF A GOING CONCERN

- 3.1 The Seller and the Purchaser hereby agree that –
- 3.1.1 should the property be an enterprise or part of an enterprise which is capable of separate operation as defined in Section 1 of the Value Added Tax Act, Act 89 of 1991 (hereinafter referred to as the "VAT Act"); and
- 3.1.2 such enterprise is being disposed of (in terms of this agreement and by the prior advises of the Auctioneer) as a "going concern" within the meaning of Section 11(1)(e)(i) of the VAT Act; and

- 3.1.3 such enterprise is, on the signature date, and will, on the transfer date, be “an income earning activity” within the meaning of Section 11(1)(e)(I) (aa) of the VAT Act; and
- 3.1.4 the property together with all assets necessary for the carrying on of the enterprise will be transferred to the Purchaser on the transfer date, and the purchase price referred to in 2.1 shall be inclusive of value-added tax (hereinafter referred to as “VAT”) as defined in the VAT Act, at the rate of zero percent. Notwithstanding the a foregoing, should VAT, for whatever reason, be levied upon this transaction (or any portion hereof) at a rate higher than zero percent, such VAT shall be paid by the Purchaser against delivery to it by the Seller of an original tax invoice in respect thereof and shall be calculated on the basis that the purchase price is exclusive of VAT.

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- 3.2 The Seller warrants to the Purchaser that, as at the time of supply of the enterprise to the Purchaser (as defined in section 9(1) of the VAT Act) it shall be registered as a VAT vendor, as defined in the VAT Act.
- 3.3 The Purchaser warrants to the Seller that, as at the time of supply of the enterprise to the Purchaser (as defined in section 9(1) of the VAT Act) it shall be registered as a VAT vendor, as defined in the VAT Act.

4. ACCEPTANCE:

- 4.1 This document constitutes an Offer to Purchase by the Purchaser, which is subject to written acceptance by the Seller within **60 (DAYS) calendar days** business days (hereinafter referred to as “the offer period”) from date hereof and shall remain irrevocable and open for acceptance by the Seller at any time during the offer period. For the sake of clarity, the Purchaser’s offer is open for acceptance until 17h00 on the 60TH (**SIXTIETH**) business day after the signature hereof by the Purchaser, the counting of the 60TH (**SIXTIETH**) business days to commence on the 1st (**first**) business day after date of signature hereof and shall endure until 17h00 on the 60TH (**SIXTIETH**) business day thereafter.
- 4.2 During the offer period, the Seller or the Auctioneer may continue to market the property in the normal course of business as they may deem fit and in consequence of same, they may take in further and better written Offers to Purchase from prospective Purchasers, to be submitted for the Seller’s consideration.
- 4.3 The Auctioneer shall advise the Purchaser in writing (which may either be by telefax or by electronic mail) of any higher written offer (hereinafter referred to as “a competing offer”) which is received from any third party during the offer period. The Purchaser shall, for a period of 24 (twenty-four) hours (hereinafter referred to as “the option period”) after transmission of the written advice of the competing offer by the Auctioneer as aforesaid, have the option to increase the purchase price offered by him in terms of this agreement to an amount equal to the purchase price of the competing offer, but subject otherwise to all other terms and conditions of this agreement.
- 4.4 If the Purchaser wishes to exercise the option to match the competing offer during the option period, the Purchaser must do so in writing in clear and unambiguous terms, which notice must be delivered to the Auctioneer before the expiry of the 24 (twenty-four) hour option period. This written notice must either be hand delivered to

the business premises of the Auctioneer and a receipt signed in respect thereof, or may be telefaxed to the Auctioneer at the indicated telefax numbers or email, provided that in such an instance the Purchaser must telephonically confirm receipt of the said telefax or email at the business premises of the Auctioneer, as the onus rests upon the Purchaser to confirm receipt of the said notice by the Auctioneer.

- 4.5 If the Purchaser fails to exercise the option during the option period, the Seller shall be entitled, but not obliged, to accept the competing offer. Should the Seller however elect not to accept the competing offer, the offer contained in this agreement shall remain irrevocable and of full force and effect and open for acceptance by the Seller until the lapse of the offer period as set-out above.

- 4.6 Should the Purchaser exercise the option within the option period and match the competing offer, the purchase price in terms of this agreement shall be the increased amount. The Seller shall be entitled until the lapse of the offer period to accept this agreement at any increased purchase price. This option process is a continuation of the original process and any sale thus concluded shall be a sale by auction.
- 4.7 The date of sale of the property shall, for purposes of this agreement, be deemed to be the date of written acceptance of this offer, or the increased offer, by the Seller. The Auctioneer will at the sole discretion of the Auctioneer thereafter notify the Purchaser in writing of such acceptance by pre-paid registered post, by hand delivery, by e-mail transmission or facsimile transmission.
- 4.8 Should the Seller not accept the Purchaser's offer; the Auctioneer shall immediately repay to the Purchaser any deposit plus buyer's commission and VAT thereon paid by him (including any amount paid in terms of clause 2.3).
- 4.9 The Seller reserves the right to decline the Purchaser's offer. The Seller shall have no obligation to accept the offer and shall not be obliged to furnish a reason for the rejecting of an offer. If the Seller rejects the Purchaser's offer, the Seller shall be entitled to accept any other offer that may be received in respect of the property.
- 4.10 In the event of the Seller requiring the consent of the Master of the High Court to effect transfer, then transfer of the property will be subject to such consent being obtained in writing as soon as possible and in the normal course of the conveyancing process. If such consent is refused or not obtained for whatever reason within a reasonable period (solely within the discretion of the Seller), then this offer will be voidable at the instance of the Seller and neither party shall have a claim against the other arising here from and both will reasonably be restored to their prior position.
- 4.11 Insofar as the Purchaser is a Company or Close Corporation and such Company or Close Corporation is not yet formed and the person signing as Purchaser acts or purports to act as agent or trustee for such Company or Close Corporation to be formed: -
- 4.11.1 such person undertakes in his/her personal capacity that the company or close corporation for which he/she is acting as agent or trustee will be formed within 30 (thirty) days of conclusion of this contract and will, within 14 (fourteen) days of being incorporated or formed, adopt or ratify this contract without modification;
- 4.11.2 if the said company or close corporation is not incorporated or formed within the period prescribed in 4.11.1, or having been incorporated or formed does not adopt or ratify this contract within the period of 14 (fourteen) days, then such person shall, in his personal capacity, be deemed to be the Purchaser in terms of this contract;

- 4.11.3 if the said company or close corporation is incorporated or formed and does adopt or ratify this agreement as contemplated in 4.11.1 and 4.11.2, then such person by his/her/their signature binds himself/herself/themselves in favour of the Seller as surety for and co-principle debtor in solidum with such company or close corporation, under renunciation of the benefits of division, excussion and cession of action, for the due performance of all the obligations of the said company or close corporation in terms of or arising out of these Conditions of Sale.
- 4.11.4 If the Purchaser purports to be a legal entity which it subsequently transpires is not properly constituted or incorporated, the natural person signing this document shall be deemed to be the Purchaser and shall assume all the liabilities and obligations of the Offeror/Purchaser in terms hereof.

5. AUCTIONEER'S COMMISSION AND ENTITLEMENT:

- 5.1 The SELLER shall in addition to the purchase price of the property, pay the Auctioneer's commission at the rate **THREE PERCENT (3%) SELLERS COMMISSION** plus VAT, calculated on the purchase price of the Property.
- 5.2 It is specifically agreed that the commission is earned and will be payable to the Auctioneer. The 3% commission can be set off against the purchase price, before it is paid over to the Seller.
- 5.3 The parties agree that payment of any portion of the purchase price and the commission (even if made in separate payments) is deemed to be one indivisible transaction and payment of all amounts due under this agreement is required in order for the Purchaser to discharge its payment obligations arising from this agreement.
- 5.4 The Seller and the Purchaser acknowledge that the Auctioneer, is the sole effective cause of the sale of the property to the Purchaser.

6. RISK, CONTROL & INSURANCE:

- 6.1 The sole risk and control and benefit in and to the property shall, unless otherwise agreed in writing and signed by both parties, pass to the Purchaser on **receipt of Guarantees** and from that date, the Purchaser shall be liable for all imposts levied on the property, inclusive of and without limiting the generality hereof, all municipal rates and taxes, licences and other official and/or municipal and consumable charges.
- 6.2 Neither the Seller nor the Auctioneer shall be liable to the Purchaser for any damage or loss suffered, or inconvenience experienced by the Purchaser caused by any pests, insects or vermin, irrespective of when the damage, loss or inconvenience were caused.

- 6.3 From the date upon which the sole risk vests in the Purchaser, the Purchaser shall at his own expense insure the property and all improvements thereon against all general risks, losses or damages from any cause whatsoever including public liability.
- 6.4 The Purchaser shall inform the insurer and/or the underwriter of the Seller's insurable interest in and to the property and shall insist that the Seller's interest is recorded in the insurance policy or schedule. The Seller's interest shall persist until date of registration of transfer in the Deeds Office of the property into the Purchaser's name.
- 6.5 Should an event occur which gives rise to a claim covered by the terms of the insurance policy, then the Purchaser shall immediately commence the correct procedure to lodge a claim against the insurer arising from this policy.
- 6.6 The parties acknowledge that the happening of an insurable event shall not in any manner detract from the validity of this agreement, nor shall it be a cause for the delay of the transfer of the property or frustrate full consummation of this agreement in any manner.
- 6.7 The Purchaser shall remain fully liable to indemnify the Seller against any and all losses in and upon the property, notwithstanding the above requirements and notwithstanding whether or not the Purchaser complied with same, it being recorded that the above does not detract from or negate the Purchaser's liability towards the Seller in any form or manner in respect of any losses or damages suffered by the Seller arising herefrom, the intention being to always restore the Seller to its pre-event condition, either by the insurer through the policy or the Purchaser itself, or a combination of them.

7. OCCUPATION:

- 7.1 The date of occupation for purposes of this agreement, **is on transfer of the property PENDING ALL REQUIRED CERTIFICATES.**
- 7.2 This date therefore does not refer to the actual date of the Purchaser moving into the property or receiving the keys thereto. The Seller cannot give any warranty or guarantee that the Purchaser will obtain vacant occupation of the property on that date, and the Purchaser shall have no claim of whatsoever nature against the Seller should vacant occupation not be obtained on the said date or at all.
- 7.3 From the date of occupation of the property and pending transfer, the Purchaser shall not sell, let or in any other manner dispose of, or alienate or encumber (whether temporarily or otherwise) the property or cede and assign any of its rights or obligations relating to the occupation thereof, except with the express written consent of the Seller.

- 7.4 **The Purchaser shall pay occupational interest on or before the first day of each and every month directly to the conveyancer, at the rate of 12% (twelve percent) per annum (pro-rated monthly) calculated on the reduced balance of the purchase price remaining after the deposit and any additional amounts paid by the Purchaser towards the purchase price have been deducted, the intention of the parties being that the larger the deposit amount paid by the Purchaser towards the purchase price, the less occupational interest will be paid by the Purchaser. Should the Purchaser so elect, it may deposit the full purchase price with the conveyancer, in which event there shall be no occupational interest payable. Occupational interest commences from the date of occupation up to and including the date of registration of transfer, paid monthly in advance without any deduction or set-off. If the purchaser deposits the balance of the purchase price with the conveyancer, the conveyancer shall invest the relevant amount with a registered bank pending transfer, the interest thereon to accrue to the seller.**
- 7.5 The Seller will within reason assist the Purchaser at the Purchaser's expense, as may be reasonably necessary and/or required by law, to assist the Purchaser in obtaining vacant occupation of the property, but without the Seller obtaining any liability to pay for or effect any eviction itself, or obtaining any liability in respect of an unsuccessful eviction, or in respect of any damages suffered whatsoever by the Purchaser as a result hereof.
- 7.6 If the property is leased, this agreement is entered into subject to the rights of the tenants under any existing lease agreement or law, as well as under the Rental Housing Act if applicable and from the date of occupation the Purchaser accepts all pre-existing obligations and liabilities arising from any lease agreement with any tenants, notwithstanding any omission by either the Seller or Auctioneer to point out such obligations or liabilities.

8. CONDITION OF PROPERTY:

- 8.1 The Seller and the Auctioneer point out to the Purchaser that the immovable property sold herewith contains improvements and structures which could possibly have been constructed some time ago and will accordingly not have the same characteristics as a newly constructed building.
- 8.2 The Purchaser therefore acknowledges and accepts that the condition of the improvements will not be equivalent to that of a newly constructed building and that due to the effluxion of time or as a result of wear and tear, certain latent (concealed and not known to the Seller or Auctioneer), and also patent (obvious and apparent upon inspection) defects will have developed in the property or its accessories, fixtures and fittings, particularly with regards to the condition of the roof, roof trusses, ceiling, electrical-, plumbing- and sewerage reticulations, walls, glazing, windows and skylight fittings, floors, fixtures and fittings, gates, pool or pond motors, garden installations and similar items.
- 8.3 The Purchaser agrees to have particular regard to potential problems including but not limited to roof leaks, rising damp, patently broken fixtures and fittings and appurtenances, possible swimming pool and pond leaks, possible broken electrical- and water installations such as swimming pool motors and pumps, irrigation systems, pond reticulations, electric gate motors, electrical garage doors, alarm systems, defective electric fencing and alarm systems and the like.

- 8.4 By its signature hereto, the Purchaser therefore accepts the condition of the property as it is and to the extent as it now lies and furthermore acknowledges that neither the Seller nor the Auctioneer hold themselves out to be experts in immovable property and that their failure to specifically point out each and every defect in the property cannot be ascribed to any misrepresentation on their part.
- 8.5 Neither the Seller nor the Auctioneer are therefore liable to the Purchaser for any defects, shortcomings, missing keys or movables, lost fixtures and fittings or any flaw otherwise in and to the property, nor for any damages suffered by the Purchaser by reason of such defects.
- 8.6 The Purchaser agrees to inspect the property to its satisfaction and accepts that neither the Seller nor the Auctioneer provide any guarantees or warranties, or make any representations concerning the nature of the property or regarding the condition or quality of the property or any of the improvements thereon, nor regarding any of the accessories thereto or in regard to any of the zoning or other town planning matters.
- 8.7 The property is therefore sold in the condition as it lies, which include all the conditions and the servitudes currently registered against the property and evidenced in the existing title deed thereto. Neither the Seller nor the Auctioneer are therefore accountable or liable for any deficiency in the extent of the property and the Purchaser agrees that it has fully acquainted itself with the situation, nature, condition, beacons, extent and locality of the property as well as all conditions of title and servitudes prior to entering into this agreement and accepts that neither the Seller nor the Auctioneer give any warranties in respect thereof and will therefore not accept any liability in respect thereof.
- 8.8 The Purchaser acknowledges that the Seller and the Auctioneer provided it with the opportunity to fully acquaint itself with the aforementioned clauses or the condition and status of the property, and that neither of them accepts any liability to the Purchaser in respect of same.
- 8.9 The Purchaser therefore willingly enters into this transaction, being fully aware of the condition of the property and improvements and without having been induced or influenced to enter into same by any warranties or representations or statements made or information given by either the Seller or the Auctioneer prior to the signature hereof, other than as set out in this agreement.

9. TRANSFER, VAT AND COSTS THEREOF:

- 9.1 The Purchaser and the Seller hereby undertake to sign all documents and fulfil all obligations as contained herein in order to give effect to this agreement and the completion thereof both timeously and in full on the basis that time is of the essence to effect registration of transfer of the property into the Purchaser's name. Transfer of the property will be effected by the conveyancer within a reasonable time after the Purchaser has complied with the terms and conditions of this agreement and paid to the conveyancer Transfer Duty or Value-Added Tax ("VAT") whichever is applicable, costs of transfer, transfer fees, disbursements and any other amounts due hereunder or required in the transfer process.

- 9.2 If the South African Revenue Services regard this sale as a VAT transaction, then the Purchaser shall, in addition to the purchase price, pay the Seller the amount of VAT calculated at the standard rate, it being specifically recorded that the purchase price excludes VAT. Such payment shall be made or secured at the time the balance of the purchase price is paid or secured in terms of 2.2 and 2.3 above.
- 9.3 The Purchaser and/or the individuals signing this document and acting in a representative capacity, warrant that their tax affairs with the South African Revenue Services (hereinafter referred to as "SARS") are in order and up to date or, in the event of this not being the case, that agreement has been reached and that the necessary arrangements have been made with SARS in respect thereof.
- 9.4 The Seller shall, after registration of transfer of the Property, furnish notice to the Local Authority and/or Eskom terminating any consumer agreements in respect of the supply of water, electricity or other services to the Property. The Seller shall under no circumstances be liable for any loss or damage whatsoever arising as a result of the Seller terminating any consumer supply agreements after the registration of transfer; and
- 9.5 The Purchaser shall forthwith after date of transfer; substitute himself with respect to the deposits and/or guarantees in respect of the Property paid to the local Authority and/or Eskom by the Seller, if any. The Purchaser shall notify the Seller that such substitution has been effected and the Seller shall be responsible for obtaining the return of any guarantees or refunds of any deposits from the local authority and/or Eskom.

10. FINANCIAL INTELLIGENCE CENTRE ACT ("FICA")

- 10.1 The Seller and the Purchaser acknowledge that the Auctioneer and conveyancer are designated "accountable institutions" in terms of FICA.
- 10.2 The Seller and the Purchaser hereby agree to comply with all the FICA requirements of the Auctioneer and the conveyancer and to supply the Auctioneer and the conveyancer with all their respective FICA requirements within three days of demand made, therefore.
- 10.3 The Seller and the Purchaser hereby acknowledge that the conveyancer is not permitted in terms of FICA to invest and administer any deposits or any other monies paid in terms of this agreement, unless the Seller and the Purchaser have provided the conveyancer with the documentation and information the conveyancer requires in terms of FICA.
- 10.4 The Seller and the Purchaser hereby agree that neither the Auctioneer nor the conveyancer shall be liable for any loss or damage suffered by either of them, as a result of either Seller or the Purchaser failing to comply with the provisions of this clause 10.

11. INTEREST ENTITLEMENT:

In the event that any payment or obligation is not paid in full on the due date, interest will be payable by the defaulting party thereon and calculated at the prime overdraft rate, as determined by the main bankers of the Auctioneer, plus 2 % per annum calculated from the date of default until the date that the default is remedied, both days being included.

12. COMPANY TO BE FORMED:

12.1 In the event of the Purchaser signing this offer in a capacity as agent for a Company to be formed, and the Purchaser fails within 20 (twenty) days from date of acceptance of this offer, to register the Company having as one of its objects the ratification and adoption of this agreement, or such Company, if formed fails to adopt or ratify this agreement within 7 (seven) days after the date of its incorporation, then, and in such event, the Purchaser shall be deemed, as from the date of acceptance hereof, to have entered into this agreement in his personal capacity, and to have acquired and accepted all the rights and obligations of the Purchaser under this agreement, subject to the condition that all parties may in writing agree otherwise.

12.2 In the event of such Company being registered and duly adopting or ratifying this agreement, the said Purchaser, the signatory to this agreement or of Schedule 1 hereto, shall be deemed to be bound to the Seller as surety and co-principal debtor *in solidum* with such Company for the due performance by it as the replacement Purchaser of all the terms, conditions and other obligations arising from this agreement, subject to the terms and conditions as set out in Schedule 1 hereto. (See schedule 1).

13. ASSOCIATIONS OR TRUSTS:

If any person purports to represents another person, association or a trust and sign this agreement in that capacity, then the individual so signing shall be **personally liable** to procure the signatures of the other relevant individuals mandated to sign documents and agreements of this nature, in terms of that association's constitution or the trust's Deed of Trust. If the other designated persons either do not exist at the time of signing this document or if their signatures are not procured by the individual signing this agreement within two weeks from date of signature hereof, then and in that event, such person signing shall be **personally liable** and bound by the terms hereof and shall in all respects be considered to be the Purchaser in terms of this agreement.

14. AGENT / NOMINEE AND PROHIBITION ON FURTHER SALE

14.1 Where the Purchaser is acting as an agent or nominee for a principal, the Purchaser shall be entitled, by notice in writing to that effect addressed to the Seller or Auctioneer, to nominate its principal in its place as Purchaser, upon the following terms and conditions:

14.1.1 notice of such nomination shall be handed to the Seller or the Auctioneer by not later than close of business on the day of acceptance of this offer by the Seller, accompanied by a copy of the agreement, *inter alia*, so appointing the Purchaser as agent or nominee;

14.1.2 the notice shall set out the name and address of the nominee so nominated as Purchaser;

14.1.3 the notice shall be accompanied by the principal's written acknowledgement:

14.1.3.1 that it is fully aware of all the terms and conditions of this agreement as well as the rules of auction as fully set out in such written acknowledgement; and

14.1.3.2 that it is bound by the provisions of this agreement and the rules of auction as the Purchaser;

14.2 Should the Purchaser nominate a nominee in terms of this clause, then:

14.2.1 all reference to the Purchaser in this agreement shall be deemed to be a reference to its nominee; and

14.2.2 the Purchaser, by its signature hereto, hereby interposes and binds itself jointly and severally as **surety** and **co-principal debtor** in solidum to the Seller and the Auctioneer for all the obligations of the nominee in terms of this agreement, including damages and losses and consequential damages as may arise.

14.3 Should the Purchaser fail to nominate a principal by close of business on the date of acceptance by the Seller, then it shall be bound to perform all his obligations as Purchaser in terms of this agreement.

14.4 Other than set out above in respect of nominee agreements, the Purchaser shall not without the express written consent of the Seller on-sell the property, or alienate, cede and/or assign any of its rights and responsibilities under this agreement to any third party prior to registration of transfer of the property into its name. Any transaction entered by the Purchaser in contradiction of this prohibition may be ignored as *pro non scripto* by the Seller.

15. CANCELLATION:

15.1 Should the Purchaser fail to comply with any of the terms or conditions of this agreement within 7 (seven) days of dispatch of written demand, the Seller and/or the Auctioneer on behalf of the Seller (acting on the written instructions of the Seller) shall, on such breach, be entitled without further written notice to either:

15.1.1 cancel this agreement, take occupation of the property and have the property resold by auction or private treaty, in its sole discretion. The Purchaser shall then be liable for all costs of such re-sale, any deficiency in price which results therefrom and other damages and losses including consequential damages as may arise. All payments made by the Purchaser to the Seller and/or the Auctioneer pursuant to this agreement shall be forfeited by the Purchaser in favour of the Auctioneer and the Seller respectively, or alternatively be regarded as liquidated, pre-estimated damages and/or losses suffered by them; or

- 15.1.2 hold the Purchaser bound by this agreement and to claim forthwith payment of the entire purchase price and other benefits and entitlements and any other losses and damages caused as a result of such breach; and in either instance
- 15.1.3 hold the Purchaser liable in terms of the agreement to pay all commissions, VAT and charges and expenses as incurred and contemplated in this agreement.
- 15.2 The Purchaser will be liable for all legal costs incurred by the Seller and/or the Auctioneer arising out of a breach of this agreement, on the attorney and own client scale of costs, including the collection costs relating to the payment of the purchase price and/or commission, as the case may be.

16. REPAIRS AND IMPROVEMENTS AND VACATION ON CANCELLATION:

- 16.1 The Purchaser will not be entitled to effect any alterations to the property without the prior written consent of the Seller. The Seller shall not be obliged to compensate the Purchaser for any alterations or improvements effected to the property, whether same were authorised or not, in the event of this transaction being cancelled.
- 16.2 The Purchaser shall not have a builder's lien, improvement lien or creditor's lien over the property or any portion thereof, regardless of whether any building works were effected with the Seller's consent or not.
- 16.3 The Purchaser shall be liable to the Seller upon cancellation for any damages suffered by the Seller as a result of any unauthorised alterations, demolition or improvements effected by the Purchaser to the immovable property.
- 16.4 The Purchaser and/or any persons occupying the property through or under the authority of the Purchaser shall be obliged to immediately vacate the property upon cancellation of this agreement for any reason whatsoever, it being agreed that no tenancy shall be created by any occupation of the Purchaser or any one through him, prior to registration of transfer. Should the Seller take any steps to procure vacant possession of the property in such an instance, the Purchaser shall be liable for all costs, fees and expenses incurred by the Seller pertaining to same.

17. ELECTRICAL / GAS / PLUMBING COMPLIANCE CERTIFICATES:

- 17.1 The **PURCHASER** shall be liable to provide Certificates of Compliance in regard to any of the electrical or plumbing installations in and to the property in terms of any relevant legislation, regulations or ordinances, including but not limited to the Electrical Installation Regulations of the Occupational Health and Safety Act No 85 of 1993, the Pressure Equipment Regulations of 2009, or the Water By-Law of the City of Cape Town 2010. At Purchasers risk and cost."
- 17.2 The Purchaser shall be obliged to obtain such certificate/s at its own cost including the cost of any work required to any installation before such Certificate of Compliance can be issued.
- 17.3 Should an Entomologist's Certificate be required by any person or institution, the Purchaser shall, at its own expense obtain such certificate, and neither the Seller nor the Auctioneer shall be liable for any costs relating to such certificate being obtained.

18. FIXTURES AND FITTINGS:

- 18.1 The property is sold together with any buildings or other improvements thereon and to the extent as it lies. Upon the same terms and conditions ventilated in clause 7 above (which terms are incorporated herein by reference, but appropriately adapted to what is pertinently described herein), neither the Seller nor the Auctioneer assume any liability in respect of the condition, usability, serviceability or possible state of disrepair of any of the buildings or improvements thereon, nor in respect of any of the fixtures and fittings therein, including stoves and whatever assets are sold in terms of this agreement, all of it in the condition as it currently lies.
- 18.2 Neither the Seller nor the Auctioneer will therefore be liable for any claims of whatsoever nature made by the Purchaser should the aforesaid improvements or fixtures and fittings either become unaccounted for, or are not be in the same condition upon the date of occupation as it might have been on the date of signature hereof.
- 18.3 The parties record that **not all assets upon the property are included in the sale agreement** and that all cranes, gantries, cold rooms, spray booths, compressors, generators and production line equipment are specifically excluded from the sale and remain the property of the Seller, unless otherwise agreed upon in writing.

19. MAGISTRATE'S COURT JURISDICTION:

For the purposes of all or any proceedings arising out of this agreement, the parties hereby consent to the jurisdiction of the Magistrate's Court and the Regional Court, otherwise having jurisdiction under Section 28 of the Magistrates' Court Act 32 of 1944, as amended; notwithstanding that the proceedings would otherwise be beyond the monetary jurisdiction of the Magistrate's or Regional Court. This clause shall be deemed to constitute the required written consent conferring jurisdiction upon the said Courts, pursuant to the Magistrates' Court Act of 1944, as amended. Notwithstanding the foregoing, this shall not preclude either party from approaching the High Court of South Africa for any relief sought.

20. JOINT AND SEVERAL LIABILITY:

Should there be more than one Purchaser, all Purchasers shall all be individually, jointly and severally liable for all the obligations in terms hereof, as well as for the payment of all obligations and benefits assumed hereunder and for complying with all the terms and conditions of this agreement of whatever nature.

21. COSTS

In the event of a breach of this agreement, the defaulting party shall be liable for all legal costs incurred by the Seller or Auctioneer in enforcing any of their rights arising herefrom, on an attorney and client scale, including collection commission.

22. WHOLE AGREEMENT (NO AMENDMENT):

- 22.1 This agreement constitutes the whole agreement between the parties relating to the subject matter hereof.
- 22.2 No amendment of this agreement or any provision or term of the agreement, or any other document issued or executed pursuant to or in terms of this agreement and no settlement of any disputes arising under this agreement and no extension of time, waiver or relaxation or suspension or consensual cancellation of any of the provisions or terms of this agreement or of any agreement or other document issued pursuant to or in terms of this agreement shall be binding unless recorded in a written document signed by the relevant parties. Any such extension, waiver, relaxation, suspension or the like which is so provided or made will be strictly construed as relating strictly to the matter in respect whereof it was made or provided.
- 22.3 No extension of time, or waiver, or relaxation of any of the provisions or terms of this agreement or any agreement or other document issued or executed pursuant to, or in terms of this agreement, will operate as an estoppel against the Seller and/or the Auctioneer in respect of any rights under this agreement, nor shall it operate so as to preclude the Seller and/or the Auctioneer thereafter from exercising any rights strictly in accordance with this agreement.
- 22.4 This agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same agreement. This agreement may also be executed by any one of the parties signing an original and telefaxing the original for signature to another party. Signature of a faxed copy shall be deemed to be the signature of an original.

23. INTERPRETATION:

- 23.1 The headings of the clauses in this agreement are for the purpose of convenience and reference only, and shall not be used in the interpretation of, nor modification or amplification of the terms of this agreement or any clause thereof. Unless the contrary intention appears, words importing: -
 - 23.1.1 any one gender includes the other gender;
 - 23.1.2 singular include the plural and vice versa; and
 - 23.1.3 any reference to persons includes natural persons, corporate or unincorporated entities and the state and for purposes of this agreement, also refers to trusts as represented by their trustees.
- 23.2 In the event that the Purchaser is a consumer, this agreement will be read subject to the Consumer Protection Act, 68 of 2008 and should any clause or time period referred to in the clauses be in conflict with any of the rights of the Purchaser in terms of the Act, then such a clause or time period shall be substituted with any rights afforded by the Act to such Purchaser.

24. DOMICILIUM ADDRESS FOR ALL NOTICES

- 24.1 The Purchaser hereby chooses as service address (*domicilium citandi et executandi*) for all purposes under this agreement, whether in respect of Court process, notices or other documents or communications of whatever nature, the following address:

Residential Address:	
Postal Address:	
Telephone Number:	
Fax Number:	
Cell Number:	
Email:	

- 24.2 The Seller hereby chooses as its service address (*domicilium citandi et executandi*) for all purposes under this agreement, whether in respect of Court process, notices or other documents or communications of whatever nature, the following address care of the Auctioneer:

Physical Address:	Unit Number 12, Corlett City 3 Berkswell Road, Bramley
Postal Address:	P O Box 2492, Bedfordview, 2008
Telephone Number:	011 440 5663
Fax Number:	086 775 2289
Email:	admin@rileyauctions.co.za

- 24.3 Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing, but it will be competent to give notice by telefax or email.

- 24.4. Any notice by any party:

24.4.1 delivered by hand to a person apparently not less than 16 years of age and apparently residing or employed there during ordinary business hours at the physical address chosen as the other party's *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery; and

24.4.2 sent by pre-paid registered post, telefax or email to the other party's chosen telefax numbers stipulated above, or email address shall be deemed to have been received on the date of transmission thereof (unless the contrary is proven).

- 24.5 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by the Purchaser shall be an adequate written notice or communication to the Purchaser notwithstanding that it was not sent or delivered to the other party's *domicilium citandi et executandi*.

25. **MATRIMONIAL PROPERTY ACT CONSEQUENCES:**

To the extent necessary, the Purchaser hereby warrants that all written consents required by the Matrimonial Property Act No 88 of 1984 in respect of this agreement or any matters arising therefrom or in terms hereof have been duly given.

26. **SEVERABILITY:**

Should any clause herein be ruled to be unenforceable, the offending clause shall be severed from this agreement and the residual clauses shall survive and remain fully binding on the Purchaser and Seller.

27. **APPROVAL FOR CERTAIN FUNDAMENTAL TRANSACTIONS (THIS CLAUSE IS NOT APPLICABLE TO INSOLVENT SELLERS)**

27.1 The parties declare that they are aware of the provisions of Section 112 of the Companies Act, which states that if the Seller is a company and the property constitutes either the whole or the greater part of the undertaking of the Seller, then the shareholders of the Seller need to approve this transaction by way of a special resolution.

27.2 Accordingly, the Seller declares that the provisions of Section 112 are/are not (~~delete whichever is not applicable~~) applicable to the sale of this property.

27.3 If Section 112 is applicable to the sale of this property and the special resolution has not yet been obtained from the shareholders as described in Section 112 of the Companies Act, then the Directors of the Seller warrant that they will procure the said special resolution within 14 (fourteen) days from date of acceptance of this agreement, specifically mentioning therein that the shareholders ratify this sale of the property.

28. **SPECIAL CONDITIONS:**

DECLARATION BY AUCTIONEER:

I, the undersigned _____, being the Auctioneer who conducted the auction, hereby certify that the Rules of Auction are, to best of my knowledge and belief, according to the requirements of Regulation 21 of the Consumer Protection Act, Act 68 of 2008.

I, the undersigned, _____, being the Purchaser, _____ (full names)

Identity Number _____

hereby offer to purchase the property from the Seller for the Purchase Price recorded in this agreement, being R_____ (Words) _____
(purchase price) **excluding value added tax (if applicable)**

SIGNED at _____ on this the _____ day of _____

As witnesses:

1. _____

2. _____

PURCHASER
Duly authorised

Signature of Purchaser's Spouse (If applicable)

SIGNED at _____ on this the _____ day of _____

As witnesses:

1. _____

2. _____

AUCTIONEER
(Duly authorised and who accepts all benefits hereby conferred)

SIGNED at _____ on this the _____ day of _____

As witness:

1. _____

2. _____

SELLER
(who signs personally or warrants authority to sign this agreement)

Schedule 1 SURETYSHIP

I/we, the undersigned _____ do hereby bind myself/ourselves jointly and severally as Surety/ies for and co-principal debtor/s in *solidum* with the Purchaser _____ (as defined in the Terms and Conditions of Sale to which this suretyship is attached) to and in favour of the Seller _____ (as defined) for the due and punctual payment and performance by the Purchaser of all obligations assumed in terms of the Terms and Conditions of Sale with which I/we acknowledge myself/ourselves to be fully acquainted.

I/we hereby renounce all benefits of the legal exceptions of division, excussion, cession of action, error and the like and hereby confirm my/our understanding thereof as well as my/our understanding of the effect of the renunciation.

Surety No. 1

Signature	_____
Consent of Spouse (if applicable)	_____
Full name	_____
Marital status	_____
Street address	_____

Postal address	_____

Place of signature	_____
Date of signature	_____

Witnesses

1. Signature	_____	2. Signature	_____
Full name	_____	Full name	_____
Occupation	_____	Occupation	_____
Street address	_____	Street address	_____

Surety No. 2

Signature _____

Consent of Spouse (if applicable) _____

Full name _____

Marital status _____

Street address _____

_____Postal address _____

Place of signature _____

Date of signature _____

Witnesses

1. Signature _____ 2. Signature _____

Full name _____ Full name _____

Occupation _____ Occupation _____

Street address _____ Street address _____

Signed and Accepted by the Seller at _____ on this the _____ day of

As witness:

1. _____

2. _____

SELLER

APPENDIX 3

**STELLENBOSCH MUNICIPALITY X3 PROPERTIES ERF 4810, 4811 AND 4812
29 MAY 2021
REPORT**

PURPOSE

The purpose of this report is to provide management with the status quo and outcome of auction held on 29 MAY 2021 by Riley Auctioneers on behalf of STELLENBOSCH MUNICIPALITY.

DISCUSSION

1 Appointment of the auction

Riley Auctioneers has been appointed by STELLENBOSCH MUNICIPALITY. for auctions to dispose the municipal properties ERF 4810, 3 SWAWELAAN ERF 4811 3A SWAWELAAN AND ERF 4812 6 TINKTINKE STREET, ONDERPAPEGAAIBERG, STELLENBOSCH, WESTERN CAPE by way of public simulcast online auction.

2. Asset Finding and Requests

- STELLENBOSCH MUNICIPALITY needed to dispose of obsolete and redundant properties in the Onderpapegaaiberg suburb.

2 Schedules sale dates for auction:

The date of the auction was:

SATURDAY 29 MAY 2021 @9:00am

Venue: ON THE PROPERTIES AND ONLINE

Viewing: 27-28 MAY 2021 from 9:00am to 15:00pm

Assets: x3 PROPERTIES ERF 4810, 4811 AND 4812

Advertising

The auction was intensively advertised in the local newspaper, Riley Auctions Webpage, using but not limited to BulkSMS, Email Marketing, Social Media and other various platforms. Corexx boards were also put all over STELLENBOSCH town on hot traffic spots to attract buyers.

Website link: <https://rileyauctions.co.za/current-auction/onsite-and-webcast-auction-3-properties-in-stellenbosch/>

3 Risks and challenges identified during Auction and preparations:

- The houses had no electricity, had to hire generator for power and network
- Weather
- The state and condition of the properties resorted us to cutting the grass on each property

FINANCIAL IMPLICATION:**Registered Buyers 20**

- R 20 000 Registration fee to be eligible to bid on auction for each buyer.

Successful Buyers 3

- 3% sellers comm
- 15% Vat applicable for assets for buyers

Unsuccessful Buyers 17

- Buyers were unsuccessful on auction therefore refund of registration fee was issued

Total Realised *R 6 460 000 (Excl. Vat)*

The number of items sold are 3 lots and the total sales to date are R 6 460 000.00 ex VAT

RECOMMENDATIONS:

- (Please consult auctioneer for proposal on the above recommendations.)

CONCLUSION:

We are confident in our claim that no other south African based auction service provider can offer you the extensive experience in respect to assets disposal and management our record of compliance speaks for itself. In closing it is important to note we have constantly achieved prices in excess of the anticipated reserves by yourself as a client.

We trust that the above is in order. Please feel free to contact our office of any further queries and suggestions. We are also proud to have realise and optimized the assets above recommended

ONLINE REPORT

3

LOTS

1

WITH ABSENTEE BIDS

3 (100.00%)

100.00% COMPLETE

WATCHED

30

REGISTRATIONS

1 (3.33%)

3.33% COMPLETE

ACTIVE BIDDERS

1

ABSENTEE BIDS

R1,000,000

TOTAL VALUE

Android (1)**iOS** (0)**Web** (0)**Unknown** (0)

50

LIVE BIDS

R85,230,000

TOTAL VALUE

Android (1)**iOS** (0)**Web** (25)**Unknown** (24)

3

LOTS SOLD

100.00%

100.00% COMPLETE

SOLD

R6,460,000

TOTAL SOLD

VENDU ROLLS

XB Auctioneer

Stock Vendu Roll - Confidential
Prepared By : RILEY AUCTIONEERS
 Date Printed : 28/05/2021
 Page : 1

Auction: STELLENBOSCH MUNICIPALITY X3 PROPERTY AUCTION

Lot/Stock Seller	Description	Buyer	Amount	Remarks
001	3 BEDROOM HOUSE - 3 SWAWELAAN ONDERPAPEGAAL			2,000,000
012 STELLENE				
002	3 BED ROOM HOUSE - 34 SWAWELAAN ONDERPAPEGAAL			2,000,000
012 STELLENE				
003	3 BEDROOM HOUSE - 6 TINKINK STREET, ONDERPAPEGAAL			2,000,000
012 STELLENE				

Handwritten notes in table:
 534
 3119
 366
 02/150 000
 02/160 000
 02/150 000
 51C SOLD
 51C SOLD
 51C SOLD

Handwritten signature and date:
 29/05/2021

Handwritten contact information:
 Mandlenkosi Mgogoshi@ Stellenbosch.gov.za - 073 628 1513
 (FO) Karin Carolus@ Stellenbosch.gov.za - 0633885529



BARRIERS

Empowering deprived youth

SINCE the economic devastation wreaked by Covid-19, Statistics SA has pegged youth unemployment at a seemingly insurmountable 61.3%.

But is it only economic opportunity that is standing between South Africa's youth and their journey to success?

Young people from disadvantaged backgrounds often face psychological barriers that can affect their career trajectory, over and above the more obvious economic disparity, according to Momentum Metropolitan group CSI manager Charlene Lackey, who says that to truly tackle youth unemployment, educators and employers need to acknowledge the existence of these invisible mental barriers, and take the right steps to help young people overcome these hurdles.

"Often, when a young person is awarded an opportunity – particularly if it's one that they place a high value on – they're hesitant to challenge the status quo, or believe they don't have the experience or expertise to offer their perspective or to ask questions."

"This is particularly heightened when the employee or student in question tends to be part of an under-represented demographic group in corporate South Africa," she says, added that this reticence is limiting, as it can prevent a young person fully benefiting from a specific opportunity.

Sofia Neves, managing director of Life Choices, an NPO focused on helping young people from low-income backgrounds to lead fulfilling lives, said that one cannot ignore "the unique background of every person".

"These young people are in situations where only they know what it means to survive. If part of your brain is more geared towards survival, and has been for most of your life, this is going to affect your cognitive understanding of things, your creativity, as well as the decisions you make every day," said Neves.

These effects are amplified by poverty, unemployment, criminality and now Covid-19, which makes many home situations untenable for youth from poor communities, she said.

"Many of our beneficiaries live with their relatives, and because of Covid-19, now have to help carry their families as well as build their own lives, which adds to the psychological burden. Although these are tough situations that millions of young people face, many employers are disconnected from this reality, or unaware of the burden that home life can put on a young hopeful," she said.

Beyond home life, upbringing and environment also plays a role in creating psychological barriers to success, Neves said.

"You can be top of your class at your township school, then arrive at university with hundreds of other young learners who come from more privileged backgrounds, who might speak better English than you, or simply have more resources. This can have a significant impact on one's self-esteem."

Neves said understanding and acknowledgement was needed when someone was unfamiliar with the requirements of the working world, as well as the psychological baggage they may carry. | **Staff Reporter**

6 Friday, May 21 2021

CAPE ARGUS

CORONAVIRUS (Covid-19)



ALL gang bosses have malicious intentions. Their only purpose is to make money through drugs, illegal firearms, human trafficking, kidnapping, murder and corruption, the writer says.

INTERVIEW

Lowdown on gangsterism

ROEGCHANDA PASCOE



THE Cape Argus recently launched its Starfish project which aims to help encourage young people to steer away from crime. The project is a platform for individuals and organisations to tell our readers what they do to empower the youth or to share their knowledge.

Well known Cape Flats community activist Roegchanda Pascoe was asked about her views on the problem of gangs and gangsterism.

Identify the problems caused by gang violence.

Gang violence in communities is devastating, especially on family life. For the boy child it is extremely difficult. He can resist being pulled into gangs, but then must settle for being bullied.

At times, they join a gang out of revenge after a loved one is killed. Poverty and opportunity are other factors. Gang violence results in people becoming prisoners in their own homes.

Eventually, children have neither freedom of movement nor can they enjoy the daily positive activities and experiences life has to offer. Our kids are ultimately forced to join street gangs associated with prison gangs and their respective so-called "numbers". Some kids also find a sense of belonging in the circle of gang members and bosses. Sadly, this is short-lived as all gang bosses have malicious intentions – the only purpose is to make money by selling drugs, illegal firearms, human trafficking, kidnapping, murder and corruption, just to name a few.

What gives rise to gangs?

Dysfunctionality, no positive social cohesion, and the lack of state entities to provide decent services. These create fertile soil for gangs to rise and prey on the fear and vulnerability of our people. It was initially reported that apartheid and poverty in our coloured communities gave rise to gangsterism, which is true.

However, the apartheid-era gang were mostly established by prison gangs which wanted to make money selling drugs in their respective areas. Policies and respect for the broader community were, however, in place in most areas as these gangsters feared the police.

Today, gang bosses thrive in organised crime, and to survive the game you must have SAPS members on your payroll. Over the past 20 years there have been several corrupt top-ranking SAPS members directly associated with prominent gang bosses. Ex-SAPS commissioner Jackie Seleke is an example.

What measures are applied by the police and the government to curb gangsterism? Are these working?

There should be a cohesive multi-pronged approach to tackle the problems. It means family, community, education, health, social development and housing all have a role to play.

The judiciary, prison and parole system should focus on rehabilitation, so we can establish whether an offender can be returned to the community.



A SAPS special task force raids houses of suspected gang members in Delft. | **Armand Hough African News Agency (ANA)**



POLICE search a block of flats in Hanover Park for drugs.

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Police have taken measures like establishing serious and violent crime units to address gangsterism on the Cape Flats, as well as establishing other units that focus on crimes, such as syndicate fraud and child protection. Reliable Intelligence since 1986 indicated that several SAPS members were involved in corruption with gang bosses to bring their drugs and firearms into the province, hence the dissolving of several similar units over time, but not before several innocent people, witnesses, kids and the elderly were killed by gangsters who were fed information by the corrupt SAPS officials.

What can be done to prevent gangsterism?

Effective immediately, independent community-driven organisations must be established. Extremely strict clearance levels must be the order of the day to ensure communities' trust.

The organisations should not be affiliated with one another but rather have the same goals – to stamp out corruption and gangsterism at provincial and national level. Corrupt officials, as well as political bosses, must be arrested if evidence is obtained, even if it's in the form of affidavits.

The government and the private sector must play vital roles in funding these community initiatives.

Which areas in Cape Town are most affected by gangs?

The areas that have been created by the apartheid regime and where, even under a new dispensation, poverty is rife. Having to live below the breadline is a harsh reality for our people. It's unbelievable how our people survived all these years. We've also seen some affluent areas face a rise in crime, but not as badly as poorer communities like Manenberg, Mitchells Plain, Delft, Elites River, Kraaifontein, Hanover Park, Ocean View and Atlantis, to name a few.

What advice would you give to families where children are joining gangs?

Where I reside in Manenberg, I would accompany parents to the gang leader and warn him about recruiting the particular child but, to the child, there is nothing more than a motherly or fatherly approach. One cannot always blame parents because some children join gangs even though they have everything they need.

My advice to families is to do some self-reflection and try to identify what motivated that child to seek love, comfort and a feeling of belonging in such a toxic place. We can help the child return to school, mosque, church and so on. Let the child participate in sport and go to the library where possible.

My advice to the child: Do not do drugs or alcohol or even smoke cigarettes. Don't ever join gangs as your life will be either short or you will end up in prison while the gang bosses, and the corrupt keep making money to the detriment of our poor communities. Do your best to invest in a lawful career. Work hard and pursue a career such as an attorney, a doctor or a teacher. Go into sport. The sky is the limit as soon as you focus on positive goals. Always give back to your community.

What is your advice for those in gangs?

Gangsterism is not a job you walk in and out of as you wish. In time, the gang comes back to recall you.

There are many who have changed their ways but paid a hefty price, either by their daughters or wives being raped or killed for their freedom from the gang. It is never too late to repent even though there is "blood in blood out" – a gang slogan used worldwide. Many former gangsters have made a success of their lives, have careers and are blessed with beautiful families.

Should schools educate children about gangsterism?

Kids should be taught about gangsterism by their parents, so schools can focus on the curriculum.

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prior to publication

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6 Thabakhe Street, Orkney Park, Stellenbosch

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7.2.3	RETURN ITEM: PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH
-------	--

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

15 June 2021

1. SUBJECT: RETURN ITEM: PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH

2. PURPOSE

To inform Council of the outcome of the public participation process and to make a final determination on the proposed amended Lease Agreement.

3. DELEGATED AUTHORITY

The Executive Mayor in consultation with the Executive Mayoral committee, has the delegated authority to make a decision regarding Lease Agreements for less than 10 years and values that will be less than R5 million.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality took over a Lease Agreement between Karlien en Kandas Creche and the Dutch Reform church when the properties (erven 12758 and 12759) were transferred to Stellenbosch Municipality in 2001. This agreement was for an undetermined period, and had an early termination clause (6 months). This Agreement was replaced with a new Lease Agreement in 2004, also for an undetermined period. Changes to the existing lease can only be implemented with the agreement of the lessee as rights are in existence in terms of the current agreement. The Lessee has indicated that they will accept the change in the lease period. The nature of the business of the crèche requires that they get at least 12 months' notice to ensure that the children are accommodated should they need to move out of the current facility.

Council considered the matter on 2021-01-27 and decided, *inter alia*, to approve, in principle, the amendment of the Lease Agreement from an undetermined period to a period of 9 years and 11 months, subject thereto that it be advertised for public inputs/objections.

Following the above resolution an Official Notice was published, soliciting inputs/objections from the public (**APPENDIX 3**).

At the closing date no inputs/objections were received.

The Executive Mayor, in consultation with the Executive Mayoral Committee, may now make a final determination on the proposed, amended Lease Agreement.

5. RECOMMENDATIONS

- (a) that it be noted that, following the public notice period, no inputs or objections were received;
- (b) that the lease be amended to indicate a lease period of 9 years and 11 months;
- (c) that the Municipal Manager be authorised to determine a new market related rental.
- (d) that the clause for early termination of the contract by either party be indicted as 12 months given the nature of the business.

- (e) that the application for the rezoning of the properties be dealt with by the Lessor and that the costs be carried by the Lessee.

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Acquisition of properties

Erven 12758 and 12759 were acquired by Stellenbosch Municipality by virtue of an Exchange of Land Agreement concluded between Stellenbosch Municipality and the Dutch Reform Church in May 1993.

6.1.2 Ownership

The properties were transferred to Stellenbosch Municipality on 2001.01.23 and now vests with the Municipality by virtue of Title Deed T4375/2001.

6.1.3 Lease Agreement

At the time of acquiring the properties from the Dutch Reform Church: Welgelegen a Lease Agreement was in place between then and Karlien and Kandas (Mrs. Vlok). The agreement was for an undetermined period, but with a 6 months early termination clause.

In terms of the legal principle “huur gaan voor koop”, this lease agreement was taken over by Stellenbosch Municipality. The rental at the time was R100/month.

6.1.4 New Lease Agreement

On 2004.08.08 a new Lease Agreement was concluded in an effort to make the monthly rental more market related. In terms of the new Lease Agreement a monthly rental of

R340-00 was payable, with an annual escalation of 10%. The term of the agreement was still for an undetermined period.

6.2. DISCUSSION

6.2.1 Proposed further amendment of the Lease Agreement: Council resolution

Following a request to this extent, a request for a further amendment to Lease Agreement, to allow for a fixed-term of 9 years and 11 months, instead of an undetermined period, was considered by Council on 2021-01-27. Having considered the matter, Council resolved as follows:

- “(a) that it be confirmed that erven 12758 and 12759 were identified as land not needed for municipal purpose for the period for which the rights are awarded;*
- (b) that Council notes that a current lease agreement with the Lessee exists;*
- (c) that Council approves, in principle, the amendment to the period of lease from an undetermined period to a period of 9 years and 11 months;*
- (d) that public comments/objections be requested on the amendment of the lease, and that the item be resubmitted after the public participation process; and*

- (e) *that the determination of the monthly rental and the decision on the costs for rezoning of the property stand over until after the public participation process has been completed"*

A copy of the agenda item and minutes are attached as **APPENDIX 1** and **2**, respectively.

6.2.2 Public Notice

Following the above resolution an Official Notice was published in "Die Burger", soliciting public inputs/objections on the proposed, amendment Lease Agreement. A copy of the Official Notice is attached as **APPENDIX 3**.

The closing date for written inputs/objections was on 2021-03-12. At the closing date no such inputs/objections were received.

6.2.3 Location and context

Erven 12758 and 12759 are situated in Rhodestreet, as shown on Fig 1 and 2, below.



Fig 1: Location and context: Erven 12758/9



Fig 2: Extent of property

6.2.4 Ownership

As was indicated above, ownership of the properties vests with Stellenbosch Municipality.

6.2.5 Zoning

Although it was a condition of the Exchange of Land Agreement that the properties were to be rezoned, and although the Municipality started the process of rezoning, the properties were never formally rezoned from single residential to educational/institutional purposes to allow for a crèche to be operated. The properties are still zoned for single residential use. To continue the use on the property the rezoning of the land has to be finalised.

6.2.6 Current rental payable

The current monthly rental amounts to R1796.61. Over and above the monthly rental, the crèche is also liable for annual levies in relation to sewer and refuse removals as well as services consumed.

6.3 Financial Implications

Should Council approve the recommendations, a new monthly rental will be determined.

6.4 Legal Implications

6.4.1 Asset Transfer Regulation

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- a) The Accounting officer has concluded a public participation process*; and
- b) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and
- A long-term right is proposed to be granted (i.e. longer than 10 years).

None of the assets has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;
- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted

*The policy on the Management of Council owned property is deemed to be Stellenbosch Municipality's disposal management System.

6.4.2 Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Municipal Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct **negotiations**, but only in **specific circumstances**, and only after having **advertised** Council's intention.

One of the circumstances listed in (l) is lease contracts with existing tenants of immovable properties, not exceeding ten (10) years. Seeing that the crèche offers a service to the community, albeit at a fee, it is recommended that Council approve a Lease Agreement on a private treaty basis, i.e. direct negotiations. It is further recommended that the rental be determined at 50% of market rental.

Further, in terms of paragraph 9.2.2.2, the **reasons for any such deviation** from the competitive process **must be recorded**.

In terms of paragraph 22.1.4 the fair market rentals will be determined by the average of the valuations sourced from service providers, unless determined otherwise by the Municipal Manager taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

Council on 2021-01-27, having considered the matter, Council resolved as follows:

- “(a) that it be confirmed that erven 12758 and 12759 were identified as land not needed for municipal purpose for the period for which the rights are awarded;*
- (b) that Council notes that a current lease agreement with the Lessee exists;*
- (c) that Council approves, in principle, the amendment to the period of lease from an undetermined period to a period of 9 years and 11 months;*
- (d) that public comments/objections be requested on the amendment of the lease, and that the item be resubmitted after the public participation process; and*
- (e) that the determination of the monthly rental and the decision on the costs for rezoning of the property stand over until after the public participation process has been completed”*

A copy of the agenda item and minutes are attached as **APPENDIX 1** and **2**, respectively

6.7 Risk Implications

Risks are addressed in the item.

6.8 Comments from Senior Management**6.8.1 Municipal Manager:**

The recommendations are supported.

ANNEXURES: **Appendix 1: Agenda item**
 Appendix 2: Council minutes
 Appendix 3: Official Notice

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management& Facilities Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	19-05-2021

APPENDIX 1



Collaborator No:
 IDP KPA Ref No:
 Meeting Date:

(To be filled in by administration)
 Good Governance
 20 and 27 January 2021

1. SUBJECT PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH

2. PURPOSE

To obtain Council's approval to amend the Lease Agreement between Stellenbosch Municipality and Karlien and Kandas crèche in regard to erven 12758 and 12759, Stellenbosch.

3. DELEGATED AUTHORITY

The Executive Mayor in consultation with the Executive Mayoral committee has delegated powers to make a decision in regard to lease agreements for less than 10 years and values that will be less than R5 million.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality took over a Lease Agreement between Karlien en Kandas Creche and the Dutch Reform church when the properties (erven 12758 and 12759) were transferred to Stellenbosch Municipality in 2001. This agreement was for an undetermined period, and had an early termination clause (6 months). This Agreement was replaced with a new Lease Agreement in 2004, also for an undetermined period (**Appendix 3**). Changes to the existing lease can only be implemented with the agreement of the lessee as rights are in existence in terms of the current agreement's term. The Lessee has indicated that they will accept the change in the lease period. The nature of the business of the crèche requires that they get at least 12 months' notice to ensure that the children are accommodated should they need to move out of the current facility

The item served before Mayco in November 2019, but was referred back due to the link the property has with erf 13246. The item on erf 13246 was resubmitted for consideration early in 2020, but the item on erf 13246 was referred back and therefore this item was also not dealt with. Both items are resubmitted for consideration.

5. RECOMMENDATIONS

- 5.1 that it be confirmed that erven 12758 and 12759 was identified as land not needed for municipal purposes for the period for which the rights are awarded;
- 5.2 that Council note that a current lease agreement with the Lessee exists;
- 5.2 that Council consider to amend the period of the lease from an undetermined time to 9 years and 11 months based on the following conditions:
 - a) Monthly rental: 50% of market value, to be determined by an independent valuer, as contemplated in par 22.1.4 of the Property Management Policy;
 - c) Annual escalation: 6%;
 - d) An early termination clause of 12 months written notice (given the nature of the purpose for which the lessee uses the property), should the property be required for municipal purposes.
- 5.3 that the public comments/objections be requested and the item be resubmitted in terms of the delegation after the public participation process.
- 5.4 that the lessee be responsible for the costs of the rezoning of the property. Should the rezoning not be approved the lease agreement will have to be terminated.

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Acquisition of properties

Erven 12758 and 12759 were acquired by Stellenbosch Municipality by virtue of an Exchange of Land Agreement concluded between Stellenbosch Municipality and the Dutch Reform Church in May 1993.

6.1.2 Ownership

The properties were transferred to Stellenbosch Municipality on 2001.01.23 and now vests with the Municipality by virtue of Title Deed T4375/2001. Copies of the Deeds Records are attached as **APPENDIX 1**.

6.1.3 Lease Agreement

At the time of acquiring the properties from the Dutch Reform Church: Welgelegen a Lease Agreement was in place between then and Karlien and Kandas (Mrs. Vlok). The agreement was for an undetermined period, but with a 6 months early termination clause. A copy of the Lease Agreement is attached as **APPENDIX 2**.

In terms of the legal principle “huur gaan voor koop”, this lease agreement was taken over by Stellenbosch Municipality. The rental at the time was R100/month.

6.1.4 New Lease Agreement

On 2004.08.08 a new Lease Agreement was concluded in to make the monthly rental more market related. Correspondence and a copy of the Lease Agreement is attached as **APPENDIX 3**. In terms of the new Lease Agreement a monthly rental of R340-00 was payable, with an annual escalation of 10%. The term of the agreement was for an undetermined period.

6.1.5 Request for further amendment of Lease Agreement

On 2019.07.11 the Director: Corporate Services addressed a memo to the Manager: Property Management requesting some information in regard to the Lease Agreement. A copy of the memo is attached as **APPENDIX 4**.

6.2. DISCUSSION

6.2.1 Location and context

Erven 12758 and 12759 are situated in Rhodestreet, as shown on Fig 1 and 2, below.



Fig 1: Location and context: Erven 12758/9



Fig 2: Extent of property

6.2.2 Ownership

As was indicated above, ownership of the properties vests with Stellenbosch Municipality.

6.2.3 Zoning

Although it was a condition of the Exchange of Land Agreement that the properties were to be rezoned, and although the Municipality started the process of rezoning (see notices published on 1996.05.10 hereto attached as **APPENDIX 5**), the properties were never formally rezoned from single residential to educational/institutional purposes to allow for a crèche to be operated. The properties are still zoned for single residential use. See copy of zoning certificate issued on 2009-09-01, hereto attached as **APPENDIX 6**.

6.2.4 Current rental payable

The current monthly rental amounts to R1796.61. Over and above the monthly rental, the crèche is also liable for annual levies in relation to sewer and refuse removals as well as services consumed.

6.2 Financial Implications

Should Council approve the recommendations, a new monthly rental (at 50% of market rental) will be determined.

6.3.1 Asset Transfer Regulation

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- a) The Accounting officer has concluded a public participation process*; and
- b) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and
- A long-term right is proposed to be granted (i.e. longer than 10 years).

None of the assets has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;
- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted

*The policy on the Management of Council owned property is deemed to be Stellenbosch Municipality's disposal management System.

6.3.2 Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Municipal Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct **negotiations**, but only in **specific circumstances**, and only after having **advertised** Council's intention.

One of the circumstances listed in (l) is lease contracts with existing tenants of immovable properties, not exceeding ten (10) years. Seeing that the crèche

offers a service to the community, albeit at a fee, it is recommended that Council approve a Lease Agreement on a private treaty basis, i.e. direct negotiations. It is further recommended that the rental be determined at 50% of market rental.

Further, in terms of paragraph 9.2.2.2, the **reasons for any such deviation** from the competitive process **must be recorded**.

In terms of paragraph 22.1.4 the fair market rentals will be determined by the average of the valuations sourced from service providers, unless determined otherwise by the Municipal Manager taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

6.4 Staff Implications

This report has no additional staff implications to the Municipality.

6.5 Previous / Relevant Council Resolutions

The approval of the rental agreement did not serve before Council.

6.6 Risk Implications

Risks are addressed in the item.

6.7 Comments from Senior Management

6.7.1 Municipal Manager:

The recommendations are supported.

ANNEXURES:	Appendix 1: Windeed Records
	Appendix 2: Lease Agreement
	Appendix 3: New Lease Agreement
	Appendix 4: Memo from DCS
	Appendix 5: Notices that were published
	Appendix 6: Zoning Certificate

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	30 October 2020

APPENDIX 2

11.2.2	PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH
--------	---

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

20 January 2021 and 27 January 2021

1. SUBJECT: PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH

2. PURPOSE

To obtain Council's approval to amend the Lease Agreement between Stellenbosch Municipality and Karlien and Kandas crèche in regard to erven 12758 and 12759, Stellenbosch.

3. DELEGATED AUTHORITY

The Executive Mayor in consultation with the Executive Mayoral committee has delegated powers to made a decision in regard to lease agreements for less than 10 years and values that will be less than R5 million.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality took over a Lease Agreement between Karlien en Kandas Crèche and the Dutch Reform church when the properties (erven 12758 and 12759) were transferred to Stellenbosch Municipality in 2001. This agreement was for an undetermined period, and had an early termination clause (6 months).

This Agreement was replaced with a new Lease Agreement in 2004, also for an undetermined period (**APPENDIX 3**). Changes to the existing lease can only be implemented with the agreement of the lessee as rights are in existence in terms of the current agreement's term. The Lessee has indicated that they will accept the change in the lease period. The nature of the business of the crèche requires that they get at least 12 months' notice to ensure that the children are accommodated should they need to move out of the current facility

The item served before Mayco in November 2019, but was referred back due to the link the property has with erf 13246. The item on erf 13246 was resubmitted for consideration early in 2020, but the item on erf 13246 was referred back and therefore this item was also not dealt with. Both items are resubmitted for consideration.

The item served before Council in November 2020. No resolution was taken as it stood down for further deliberation. It is resubmitted for consideration.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.2**RESOLVED** (majority vote)

- (a) that it be confirmed that erven 12758 and 12759 were identified as land not needed for municipal purpose for the period for which the rights are awarded;
- (b) that Council notes that a current lease agreement with the Lessee exists;
- (c) that Council approves, in principle, the amendment to the period of lease from an undetermined period to a period of 9 years and 11 months;
- (d) that public comments/objections be requested on the amendment of the lease, and that the item be resubmitted after the public participation process; and
- (e) that the determination of the monthly rental and the decision on the costs for rezoning of the property stand over until after the public participation process has been completed.

Councillors F Adams; G Cele (Ms) and LK Horsband (Ms) requested that their votes of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	30 October 2020

APPENDIX 3



OFFICIAL NOTICE

PROPOSED AMENDMENT OF LEASE AGREEMENT: KARLIEN AND KANDAS: ERVEN 12758 AND 12759, DIE BOORD, STELLENBOSCH

1. Introduction

Notice is hereby given in terms of Section 34 (1) of the Asset Transfer Regulations read with paragraph 9.2.2 of the Policy on the Management of Council-owned property of Council's intention to amend the existing Lease Agreement with Karlien and Kandas in relation to the above property; i.e to allow for a contract period of 9 years and 11 months in stead of the undetermined period as per the existing agreement.

2. Background

Erven 12758 and 12759, Stellenbosch were acquired by Stellenbosch Municipality in 1993 by virtue of an Exchange of Land Agreement with the Dutch Reform Church. At the time of acquiring the properties a lease agreement was already in place between the Dutch Reform Church and Karlien and Kandas in terms whereof the facility was used as a creche. The lease agreement was taken over by the Municipality. During 2004 the Agreement was amended to allow for a market related rental and no end period to the contract existed. This provision is not in line with the Asset transfer regulations.

Council negotiated with Karlien and Kandas to bring the contract in line with the legislation and has in principle approve to amend the current agreement to change the lease period from undetermined date to a 9 year and 11 months period. Before a final decision is taken Council must do a public participation process to elicit public input through requesting comments/objections/alternative proposals on the amendment of the lease. The monthly rental will have to be determined and the property needs to be rezoned to make provision for the current use.

3. Invitation to submit comments /inputs or alternative proposals

Interested and affected parties / individuals are hereby invited / called upon to submit comments /inputs or objections in respect of the proposed granting of the rights referred to above. Any such comments /inputs/objections must be in writing and must reach the Office of the Manager: Property Management by no later than **12-03- 2021** at close of business at the address or e-mail listed below:

Physical address: 3rd floor ABSA building, Pleinstreet, Stellenbosch
e-mail: piet.smit@stellenbosch.gov.za

4. Persons with disabilities

Notice is further given in accordance with Section 21 of the Local Government: Municipal Systems Act, No 32 of 2000 that anyone with disabilities or who is unable to write, but need to participate in the process, may present him/ herself during office hours at the office of the Manager: Property Management, where a staff member of the Municipality will assist such person to transcribe that person's comments/inputs or alternative proposals.

.....
G METTLER
MUNICIPAL MANAGER:
STELLENBOSCH MUNICIPALITY

.....
DATE

7.2.4	RETURN ITEM: EX LIFE CRAFT CENTRE: PORTION OF ERF 143, FRANSCHHOEK: CALL FOR PROPOSALS
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Collaborator No:

IDP KPA Ref No:

Good Governance

Meeting Date:

15 June 2021

1. SUBJECT: RETURN ITEM: EX LIFE CRAFT CENTRE: PORTION OF ERF 143, FRANSCHHOEK: CALL FOR PROPOSALS

2. PURPOSE

To provide feedback to council after the call for proposal was advertised on the future of the piece of land on which the life craft centre was previously located namely erf 143, Franschhoek.

3. DELEGATED AUTHORITY

Council or the Executive Mayor in consultation with the Executive Mayoral Committee where it deals with a lease agreement of less than 10 years and the land value is below R10 Million.

4. EXECUTIVE SUMMARY

During 2004 Stellenbosch Municipality and the Life Craft Centre concluded a Lease Agreement, in terms where they would lease a portion of erf 143, Stellenbosch for a period of 9 years and 11 months. Council resolved on 25 November 2020 not to enter into a new lease agreement with them and requested the department to publish a call for proposals to see what the community think the space should be used for or to get inputs from businesses who may be interested to use the space. The notice was published in January 2021 and is attached as **APPENDIX 4**. Only one application has been received – attached as **APPENDIX 5**.

5. RECOMMENDATION

For consideration.

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Council resolution

On 25 November Council considered an application from the Life Craft Centre an for the renewal of the Lease Agreement. Having considered the application, Council resolved as follows:

*" **RESOLVED** (majority vote with 1 abstention)*

(a) that a portion of Erf 143, Franschhoek, be identified as land not needed for own use as provided for in Regulation 36 of the Asset Transfer Regulations;

*(b) that Council does **not** approve the application;*

*(c) that the department be requested to **advertise for businesses** to provide proposals on the future use of the property, and that the proposals include an indication of the type of business, a business plan, and the number of employment opportunities;*

(d) that Council will consider the proposals and then make a determination on which proposal to approve before a lease agreement will be entered into with a new lessee; and

*(e) that the Life Craft Centre be **given notice** to vacate the property by no later than 30 March 2021”.*

Hereto attached as **APPENDIX 1** and **2** respectively, the Agenda item that served before Council as well as the Minutes.

6.1.2 Letter of termination

Following the above resolution the Life Craft Centre was informed of the termination of the Lease Agreement as from 1 April 2021. See letter attached as **APPENDIX 3**.

6.1.3 Public notice: Call for Proposal

A public notice, calling for proposals, was published, with closing date for submissions by not later than 25 January 2021. A copy of the notice is attached as **APPENDIX 4**.

6.1.4 Submission received

At the closing date only one submission was received, that of Mr Avery Arendse of Bike Life Café, a copy of which is attached as **APPENDIX 5**.

6.2. DISCUSSION

6.2.1 The Proposal

Bike Life Café is a Franschhoek based cycling café, bicycle shop and service court with bicycle rentals. They want to relocate the business to erf 143. He is offering a monthly rental of R4 000.00.

6.2.2 Fair market rental

Please find hereto attached as **APPENDIX 6** a valuation report compiled by Pendo Property Valuers, valuing the monthly rental R260/m². The rentable space is approximately 98m², resulting in a fair market rental is of R25 480.00 (Exclusive of VAT).

6.3 Financial Implications

Council must consider the offer of the rental against the market related rental for the space as indicated by the valuation report.

6.4 Legal Implications

See par. 6.2.2.1 of agenda item that served before Council.

6.5 Staff Implications

No additional staff implications.

6.2 Previous / Relevant Council Resolutions

See paragraph 6.1.1 above. **(Appendix 1)**.

6.3 Risk Implications

The amount of rent offered is a lot lower than the market related rental. The business cannot be classified as a business for which council may lease at below market value. The area has been standing empty from 1 April which may lead to vandalism.

6.4 Comments from Senior Management

Senior management was requested to comment on the darft item – send out on 5 March 2021. Only the PMU unit commented on behalf of Infrastructure.

6.4.1 Director: Infrastructure Services

Agree with the recommendations.

6.4.2 Director: Planning and Economic Development

No comments received

6.4.3 Chief Financial Officer

No comments received.

6.4.4 Municipal Manager

Notes the recommendation

ANNEXURES:

- Appendix 1 Agenda item
- Appendix 2 Minutes from Council
- Appendix 3: Letter of termination
- Appendix 4: Public Notice
- Appendix 5: Submission received
- Appendix 6: Valuation report

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2021-06- 09

APPENDIX 1



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Collaborator No:

(To be filled in by administration)

IDP KPA Ref No:

GOOD GOVERNANCE

Meeting Date:

22 and 29 January 2020

1. SUBJECT:

2.

PROPOSED RENEWAL OF LEASE AGREEMENT: FRANSCHHOEK LIVE CRAFT CENTRE: ERF 143, FRANSCHHOEK

2 PURPOSE

To obtain Council's approval for the renewal of the Lease Agreement with Franschhoek Life Craft Centre.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Various Lease Agreements terminated over the past few years, where the contracts did not allow for an automatic renewal. The Supply Chain Management Policy (at the time) also did not provide for the renewal of these agreements, without following a tender process. The agreements continued in terms of common law on a month to month basis as council did not terminate the agreement and the tenant kept using the property.

The new Property Management Policy, however, now allow for a process whereby Council can dispose with the prescribed, competitive process, subject to Council's intention so to act being advertised for public inputs, before making a final decision.

The tenants in October 2019 send letters requesting to renew the lease agreement (**Appendix 1 and 2**).

5. RECOMMENDATIONS

- a) that a portion of Erf 143, Franschhoek, be identified as land not needed for own use during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;

- b) that Council, consider the application **in principle** to approve a lease and determine the period of the extension, subject thereto that Council's intention to enter into such an agreement be advertised for public inputs/comments, as provided for in paragraph 9.2.2 of the Property Management Policy; and further subject to a 3 months early termination clause.
- c) that, in the meantime, an independent valuer be appointed to determine the fair market rental for the property referred to in (a), and;
- d) that Council, determine a fair rate in principle, linked to the fair market value);

6. DISCUSSION / CONTENTS

6.1. Background

6.1.1 Initial Lease Agreement

Franschhoek Life Craft Centre and Stellenbosch Municipality concluded a year Lease Agreement in relation to a portion of erf 143, Franschhoek in 2004 for a period of 9 years and 11 months. This agreement has subsequently lapsed in 2014.

6.1.2 Attempt to renew lease agreement

Over the past 5 years various attempts were made to either renew the Lease Agreement, and in the meantime the leases continued on a month to month basis. None of these attempts, however, were successful, as the SCM Policy (at the time) did not allow for a process of renewal without following a public competitive process.

6.1.3 Application for renewal of lease agreement

Hereto attached as **APPENDIX 1** an application received from Franschhoek Live Craft Centre, requesting that their lease agreement be renewed for a further period of 5 years. Also hereto attached as **APPENDIX 2** correspondence received from Remax, wherein they pledge to provide financial assistance to the FLCC, should their lease agreement be extended.

6.2 Discussion

6.2.1 Location and context

6.2.1.3 Franschhoek Life Craft Centre

The Franschhoek Live Craft Centre is operating on a portion of erf 143, Huguenote Road, Franschhoek as indicated on Fig 1 and 2 below.



Fig 1: Location and context



Fig 2: Extent of property

6.2.1 Legal requirements

6.2.2.1 Asset Transfer Regulation

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- a) The Accounting officer has concluded a public participation process*; and
- b) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- a) The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and
- b) A long-term right is proposed to be granted (i.e. longer than 10 years).

None of the assets has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;
- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted

*The policy on the Management of Council owned property is deemed to be Stellenbosch Municipality's disposal management System.

6.2.1.2 Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Municipal Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct negotiations, but only in specific circumstances, and only after having advertised Council's intention so to act.

One of the circumstances listed in (l) is lease contracts with existing tenants of immovable properties, not exceeding ten (10) years. Such agreements may be renegotiated where the Executive Mayor is of the opinion that public competition would not serve a useful purpose, subject to such renewal being advertised, calling for public comment.

Further, in terms of paragraph 9.2.2.2, the reasons for any such deviation from the competitive process must be recorded.

In terms of paragraph 22.1.4 the fair market rentals will be determined by the average of the valuations sourced from service providers, unless determined otherwise by the Municipal Manager taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

Seeing that the Life Craft Centre is a NGO, and taking into account the high prices in Franschhoek, it is recommended that they be responsible for 10% of market rental, to be determined by an independent valuer.

6.3. Financial Implications

The current rent payable by the tenants is R115 per year (vat included). The current arrears is R2 978.00 and the last payment was in August 2019.

6.4 Legal Implications

The recommendations contained in this report comply with Council's policies and all applicable legislation.

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

Risks addressed in the item and will further be covered by the lease agreement.

6.8 Comments from Senior Management:

6.8.1 Director: Infrastructure Services

Agree with the recommendations

6.8.2 Director: Planning and Economic Development

No comments received

6.8.3 Chief Financial Officer:

No comments received

ANNEXURES: **Appendix 1: Application from FLCC**
 Appendix 2: Letter from REMAX (Financial assistance)

FOR FURTHER DETAILS CONTACT:

NAME	PIET SMIT
POSITION	MANAGER: PROPERTY MANAGEMENT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-11-27

APPENDIX 2

E-MAIL ADDRESS	<u>Annalene.Debeer@ Stellenbosch.gov.za</u>
REPORT DATE	10 November 2020

11.2.2	APPLICATION FOR A OF LEASE AGREEMENT: FRANSCHHOEK LIFE CRAFT CENTRE: ERF 143, FRANSCHHOEK
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

17 November 2020 and 25 November 2020

1. SUBJECT: APPLICATION FOR A OF LEASE AGREEMENT: FRANSCHHOEK LIFE CRAFT CENTRE: ERF 143, FRANSCHHOEK

2. PURPOSE

For Council to consider the application for the approval of a Lease Agreement with Franschhoek Life Craft Centre.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Various Lease Agreements terminated over the past few years, where the contracts did not allow for an automatic renewal. The Supply Chain Management Policy (at the time) also did not provide for the renewal of these agreements, without following a tender process. The agreements continued in terms of common law on a month to month basis as council did not terminate the agreement and the tenant kept using the property.

The new Property Management Policy, however, now allow for a process whereby Council can dispose with the prescribed, competitive process, subject to Council's intention so to act being advertised for public inputs, before making a final decision.

The tenants in October 2019 send letters requesting to renew the lease agreement (**APPENDIX 1 and 2**). Technically the agreement has lapsed especially as they are not paying the rent. They have however continued to use the building.

The item was submitted to Mayco in January 2020, but was referred back to the department. The Executive Mayor wanted to gather more information in regard to the use of the property and the viability. Since then the Covid-19 pandemic brought major changes to the economy and the tourist industry. No further feedback was received and the item is resubmitted for consideration.

39TH COUNCIL MEETING: 2020-11-25: ITEM 11.2.2**RESOLVED** (majority vote with 1 abstention)

- (a) that a portion of Erf 143, Franschhoek, be identified as land not needed for own use as provided for in Regulation 36 of the Asset Transfer Regulations;
- (b) that Council does not approve the application;
- (c) that the department be requested to advertise for businesses to provide proposals on the future use of the property, and that the proposals include an indication of the type of business, a business plan, and the number of employment opportunities;
- (d) that Council will consider the proposals and then make a determination on which proposal to approve before a lease agreement will be entered into with a new lessee; and
- (e) that the Life Craft Centre be given notice to vacate the property by no later than 30 March 2021.

FOR FURTHER DETAILS CONTACT:

NAME	PIET SMIT
POSITION	MANAGER: PROPERTY MANAGEMENT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	<u>Piet.smit@ Stellenbosch.gov.za</u>
REPORT DATE	2020-11-01

APPENDIX 3



2020-01-14

Our ref: Live Craft F/Hoek

The Chairperson
Franschhoek Live Craft Centre
Main Road
Franschhoek
7610

Dear Mr Fray

APPLICATION FOR, EXTENTION OF LEASE AGREEMENT: PORTION OF ERF 143, FRANSCHHOEK

Your application for the extension of your Lease Agreement for a portion of erf 143, Franschhoek, refers.

Council considered the matter on 2020-11-25.

Having considered the application, Council decided as follows:

39TH COUNCIL MEETING: 2020-11-25: ITEM 11.2.2

“RESOLVED (majority vote with 1 abstention)

- (a) *that a portion of Erf 143, Franschhoek, be identified as land not needed for own use as provided for in Regulation 36 of the Asset Transfer Regulations;*
- (b) *that Council does not approve the application;*
- (c) *that the department be requested to advertise for businesses to provide proposals on the future use of the property, and that the proposals include an indication of the type of business, a business plan, and the number of employment opportunities;*
- (d) *that Council will consider the proposals and then make a determination on which proposal to approve before a lease agreement will be entered into with a new lessee; and*
- (e) *that the Life Craft Centre be given notice to vacate the property by no later than 30 March 2021”.*

You are hereby given notice to vacate the property by no later then 30 March 2021.

Yours faithfully

.....
PIET SMIT
MANAGER: PROPERTY MANAGEMENT

APPENDIX 4



OFFICIAL NOTICE

CALL FOR PROPOSALS: LEASE AGREEMENT: PORTION OF ERF 143, FRANSCHHOEK

INVITATION TO SUBMIT WRITTEN PROPOSALS

The purpose of this notice is to invite proposals from interested businesses to provide proposals on the future use of the property. The proposal to include an indication of the type of business, a business plan, amount work opportunities that will be created, rental proposed. Council will consider the proposals and then make a determination on which proposal to approve before a lease agreement will be entered into with a new lessee.

Proposals should, *inter alia*, deal with the following:

- Indication of type of business;
- A business plan, including the applicant's financial readiness to implement his/her plan, should his/her proposal be approved;
- Number of job opportunities that will be created;
- Possible capital investment in upgrading of facility (if any);
- Experience in running such a business;
- Proposals on how BBBEE, and LED will be promoted;
- Proposed term of Lease; and
- Proposed monthly rental

PROPERTY DESCRIPTION

The property is situated at 68 Huguenote Road, Franschhoek.

The site is approximately 200m² in extent. The building is approximately 90m² in extent.

SUBMISSION OF PROPOSALS

Written submissions must be submitted to the Manager: Property Management by not later than **25 January 2021, at 12:00**. The proposals can be hand delivered or e-mailed to the Manager: Property Management.

Email: piet.smit@stellenbosch.gov.za

Physical address: 3rd Floor, Oude Bloemhof (Absa) Building, corner of Rhyneveld and Plein Streets, Stellenbosch.

Postal Address: P O Box 17, Stellenbosch 7599

Cell phone: 084 506 5065

Landline: 021 808 8189



Streetview of building

FURTHER INFORMATION

Further information, is available at the office of the Manager: Property Management during office hours.

PERSONS WITH DISABILITIES

Notice is further given in accordance with Section 21 of the Local Government: Municipal Systems Act, No 32 of 2000 that anyone with disabilities or who is unable to write, but need to participate in the process, may present him/herself during office hours at the office of the Manager: Property Management, where a staff member of the Municipality will assist such person to transcribe that person's comments/inputs or alternative proposals.

GERALDINE METTLER
MUNICIPAL MANAGER: STELLENBOSCH MUNICIPALITY

DATE

APPENDIX 5

BIKE LIFE CAFÉ



Avery Arendse

Adress: Grebe Street 20 Paarl

ID: 9104245207080

Tell: 0826054858

1. Introduction and description of business idea :

Bike Life Café is a Franschhoek based cycling café, bicycle shop, service course with bicycle rentals.

At Bike Life Café we are a bicycle shop, with a small coffee shop (basically a 2 in 1). We provide the fixing of bicycles, renting out bicycles (tourist that wants to tour Franschhoek via bicycle), and sales of cycling accessories with something to eat and drink for all other cyclist training in and around the Franschhoek area. We are situated in Franschhoek, as this is the ideal place for cyclist in and around Cape Town to make Franschhoek (Bike Life Café) their ideal pit stop to freshen up and get something to eat and drink before the training ride back home. Also while the cyclist stop for refreshments, the shop can provide bicycle repairs, wash and lube or accessories if needed.

Franschoek is the perfect area because of all the cyclist are training through Franschhoek especially for the big cycling races like the Argus cycle tour and the Double century. Franschhoek is also a big tourist destination, there for the renting out of bicycles are also very popular. We also provide the repairing of bicycles for all the local cyclist that need help or want to buy cycling accessories according to their needs.

2. About myself:

I am a single male aged 29, born in Paarl (Western Cape) and have no children yet.

I also have one sibling (sister) who is married with one child.

My parents also stay in Paarl. My mother was a school secretary who recently retired, and my father is a well-known business man in Paarl, who currently runs 3 businesses.

My sister works on a farm actually also in Franschhoek (Solms Delta) as a social worker.

I myself is a keen cyclist who rode professionally in Johannesburg and Europe for 6 years and had to stop competitive cycling due to an injury. After getting the injury I moved back to Paarl, and started to help my father with his shop (Paarl Exhaust). I worked for about a year and decided to open up my own business in Paarl called Afterlife (night club/pub). After running and managing Afterlife successfully for 5 years I decided to spread my wings (business) to the sport that gave so much to me. I decided on a different theme as just the normal bicycle shop.

As I also trained a lot to Franschhoek as a cyclist myself, I decided that this is the perfect destination for a cycling café, as most cyclist make Franschhoek their pit stop to refresh themselves before riding back home.

3. Creating Job Opportunity

First the job opportunity within Bike Life Café. We will start at giving at least 3 job opportunities for people who lives in Franschhoek. This 3 job descriptions will be as follow:

- 1- Front of house (Sales man or woman).
- 2- Coffee barista
- 3- Bicycle mechanic

Next we will create job opportunities within the local community itself. We will scout for certain tour guides and give them the opportunity to provide for themselves. Through allowing them to take our rental bicycles and giving the tourist a tour through Franschhoek. This could be for wine tours or even just for sight-seeing Franschhoek on a bicycle. So job opportunity could be a big thing.

As we will grow we will need to appoint more staff to Bike Life Café itself within the shop. Possibilities are endless.

I will also love to start a cycling event (race) in Franschhoek. Some sort of a criterium race similar to what they do in Belgium and the Netherlands. So the race will be in Franschhoek and start and finish point will be in front of Bike Life Café. Age groups from 10 years old to 60+. Usually this brings the whole family together with their supporters and also the local community as spectators. During and after the race people usually get something to eat and drink, so this will support the other businesses in Franschhoek as well.

4. Possible capital investment in upgrading of facility:

As the building currently is, for now it will be perfect just like it is. We will be setting up the bicycle workshop in the one room at the back so that's perfect, we will just add the tools and work stand to the room.

We will also be adding a counter desk at the door entry, with a space for a small coffee machine.

Inside we will be decorating the shop with bicycle accessories and bicycles.

We will also like to use the front porch of the shop and add around 5 small tables and chairs for outside. This will be for the cyclist who wants to stop for a quick coffee.

5. Experience in running such a business:

I currently myself have been running and managing this business for a year now.

Before this I have been helping out at the bicycle shop in Paarl for around 2 years on and off only when they really needed help because I also still had to manage my other business as well. I was a sales person (selling bicycles), and could also help in the workshop (fixing bicycles). I have also been cycling for 15years, so I know my way around a bicycle.

As I'm in the cycling scene, I know clubs and groups, so I will just invite the clubs on group rides to Bike Life Café Franschhoek for a coffee stop.

Also not forgetting I have been managing a pub/club successfully for more than 5 years.

6. Proposals on BBBEE:

Ownership: Sole ownership.

Management: Currently I am managing the shop myself.

Equipment Equity: Are following all the rules and regulations that be need to be obliged to of the labor department.

Skills Development: All current staff has the skillset in their department to be operating the shop. As the business grows we will add more people to work and they will be trained as needed at Bike Life Café.

Socio-Economic Development: As I currently stated we will appoint people from the Cape Winelands area, to develop community and we will also implement bicycle clinics at schools in Franschhoek. Bicycle clinics will help people learn about bicycles and cycling as a sport. We also want to start a cycling club to help provide for the less fortunate children or even for any person that wants to take up cycling as a sport. We will go on group training rides and also to cycling races in and around Cape Town.

7. Proposed term of lease, and proposed monthly rental:

We are looking for a long term lease. This is definitely a long term vision. Possibly 5 years and plus. This can be opened for discussion.

The monthly rental could be more or less something like R4000, this is also open for discussion.

8. Financial Business plan and readiness:

Startup capital: We already have everything we need for the business.

Equipment, tools and stock:

Equipment, tools and stock	Supplier	Amount
Cycling accessories	ASG Sports	R30 000
Accessories and Bicycle parts	Parow cycle house	R35 000
Accessories and Bicycle parts	Trend Mania	R4 000
Bicycles	Silverback	R20 000
Bicycle cleaner	Nam Gear	R5 000
Accessories and tools	Supersport Cycles	R30 000

Fixed business costs monthly:

Fixed costs	Amount
Premises Rental	R4000
Salaries	R6000
Transportation	R2000
Telephone	R600
Advertising and promotion	R500
Insurance	R2000
Electricity and water	R1500
Total:	R16 600

Actual Sales: Value of the stock in hand R150 000

Sales per month:

Product	Selling price	Units sold	Total sales
Bicycle services	R350,R550,R850		R10 000
Bicycle Rentals	R250 per day		R12 000
Accessories	R5 to RR500		R5 000
Bicycles	R12 000		R5 000
Coffee/snacks	R20		R5 000

Total income per month: R37 000

Breakeven analysis: Breakeven amount to cover all costs per month will be R16 600

Marketing plan:

Target Market: Our customers are mainly cyclist or cycling related. We provide services for your everyday people as well. People using their bicycles for transport to work.

We also target the tourism sector as this is a huge part of Franschhoek. Tourist using rental bicycles exploring the town. We will invite cycling groups for training rides to Franschhoek to have a coffee at Bike Life Café.

We order our stock weekly.

Service Research: I started 2 years in advance of planning this business and spotted a gap as there is nothing in Franschhoek like Bike Life Café. Targeting cycling groups from outside to come stop at a specific cycling café. Tourist and wine farms are also always looking for bicycle rentals.

Competitor Research: There is only 1 other cycling shop in Franschhoek. They provide bicycle services and bicycle rentals. They don't have much accessories to supply to cyclist. Also they don't do a coffee theme, so they just doing bicycle rentals and services.

We definitely have the pulling power to invite cycling groups to Bike Life Café that they don't have. The mechanic from us is also

top class. They don't have such a good mechanic as some of their customers spoke to me and confirmed it.

Supplier's research:

ASG Sports	021 879 0281
Silverback	021 386 7777
Parow cycle house	021 951 4637
Trend Mania	011 496 1790
Supersport Cycles	011 917 9134
Terbodore Coffee	021 876 4716
Coke	0860 112 526
Basic foods	021 872 0319

Product price: We are definitely the cheapest in Franschhoek, but it's not about that, we provide quality and very good service.

We promote locally with handing out flyers and also use Facebook and Instagram as marketing options. On Facebook and Instagram we can target our target group specifically.

Organizational Management:

Business structure: Sole Proprietor

Administration: - Receipt book
 - Invoice book
 - Sales record
 - Stock control
 - Cash book
 - Appointment book

Conclusion: Our overall goal is to make this business a huge sustainable success. Not only that but to use this opportunity to give to back to the community in terms of setting up the cycling clinics for the children and

provide job opportunities for the people in the Cape Winelands. To put more people on bicycles and keeping a healthy and fitter life.

APPENDIX 6



VALUATION REPORT

DETERMINATION OF THE MARKET RENTAL OF:
FRANSCHHOEK LIVE CRAFT CENTRE PREMISES
LOCATED ON ERF 143 FRANSCHHOEK

Client:

STELLENBOSCH MUNICIPALITY

5 June 2020

Compiled by:

Johan Klopper

Professional Valuer

Member of the SA Institute of Valuers

BCom Law (University of Stellenbosch), NDip: Property Valuation (UNISA)



5 June 2020

Mr. Piet Smit
 Stellenbosch Municipality
 Property Management
 Plein Street
 Stellenbosch
 7600

VALUATION CERTIFICATE

I, the undersigned, Johan Klopper, Professional Valuer registered in terms of the Property Valuer's Profession Act, 2000 (Act No 47 of 2000) do hereby certify that I have inspected and valued the following immovable property namely:

**FRANSCHHOEK LIVE CRAFT CENTRE PREMISES LOCATED ON ERF 143 FRANSCHHOEK,
 PAARL REGISTRATION DIVISION, in the WESTERN CAPE**

I consider the monthly market rental rate of the abovementioned property to be as follows:

Description	Amount	In words
Retail	R 260 / m ²	Two Hundred and Sixty Rand per square meter (Excluding VAT)

As at: **1 June 2020**

Signed at Stellenbosch this 5th day of June 2020.

A handwritten signature in black ink, appearing to read 'J. Klopper', is written over a horizontal line.

J. Klopper
 Professional Valuer
 Registration Number: 6372/0

PENDO PROPERTY SERVICES CC T/A PENDO PROPERTY VALUERS
 Reg. No. 2009/230603/23 • VAT Reg. No. 4530269028
 Member: J. Klopper

Verified Level 4 B-BBEE Contributor

Tel: 083 305 3252 • Fax: 086 611 1511 • Email: info@propertyvaluer.co.za • Postal address: PO Box 81, Stellenbosch, 7599

VALUATION REPORT

1. GENERAL INFORMATION

1.1 Instructions

Instructions were received from the Stellenbosch Municipality to determine the fair market rental of the Live Craft Centre premises in Huguenot Street, located on a portion of Erf 143 Franschhoek. Stellenbosch Municipality is in the process of negotiations to determine a market related rental for purposes of renewal of a lease agreement.

Definition of market rental: *"The estimated amount for which the property should be leased on the date of valuation between a willing lessor and a willing lessee in an arm's length transaction after property marketing, wherein the parties acted knowledgeably, prudently and without compulsion."*

1.2 Inspection date

22 May 2020

1.3 Effective date of valuation

1 June 2020

1.4 Limiting conditions

Information was received from third parties regarding the comparable properties. No warranty as to the accuracy of this information can be made.

We have not carried out a structural survey, nor have we tested the service installations, woodwork or other parts of the structure which are covered, unexposed or inaccessible and are therefore unable to report that such parts of the property are free of rot, beetle or other defects. This valuation is therefore based on the assumption that the building is in a reasonable state of repair, unless expressly stated otherwise in this report.

Any possible contamination of the subject property as a result of an environmental incident has also not been taken into account, nor have we examined the cost of any remedial measures involved.

In this report all values referred to exclude VAT, unless expressly stated otherwise.

"The Coronavirus (COVID-19) has been declared a pandemic with a state of national disaster in place. Substantial turmoil has occurred in local and international financial markets and due to the developing situation; it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this valuation is based on findings of an analysis of market data available to the valuer at the time of the assignment. The impact of the lockdown has not yet reflected in the data. Consequently, less certainty and a higher degree of caution should be attached to this value opinion, and this should not be seen as a reliable forecast into an uncertain future. It is advised that this report be reviewed in shorter intervals than that which has been the norm".

Due to the prevailing Covid-19 lockdown provisions internal access to the premises was not possible. The valuer was accordingly instructed to do an external inspection.

Maps and sketches that form part of this report are included for illustration purposes only and are not necessarily to scale.

This valuation is for the purpose as stated in this report and should not be used for any other purpose. Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principles through advertising, public relations, news sales or any other media without the written consent of the author.

2. OWNERSHIP INFORMATION

Description	Erf 143 Franschoek, Western Cape
Registered owner	Stellenbosch Municipality
Erf Size	743 m ²

3. MUNICIPAL INFORMATION

Local Authority	Stellenbosch Municipality
Address	68 Huguenot Street, Franschoek
Usage	Retail
Municipal Valuation	R 2 062 000 (GV2017)

4. PHYSICAL FEATURES

4.1 Situation / Locality

The subject property is located at 68 Huguenot Street on the northern periphery of the Franschoek town centre. The immediate vicinity is characterised by retail premises serving the vibrant tourism market. See location map below:

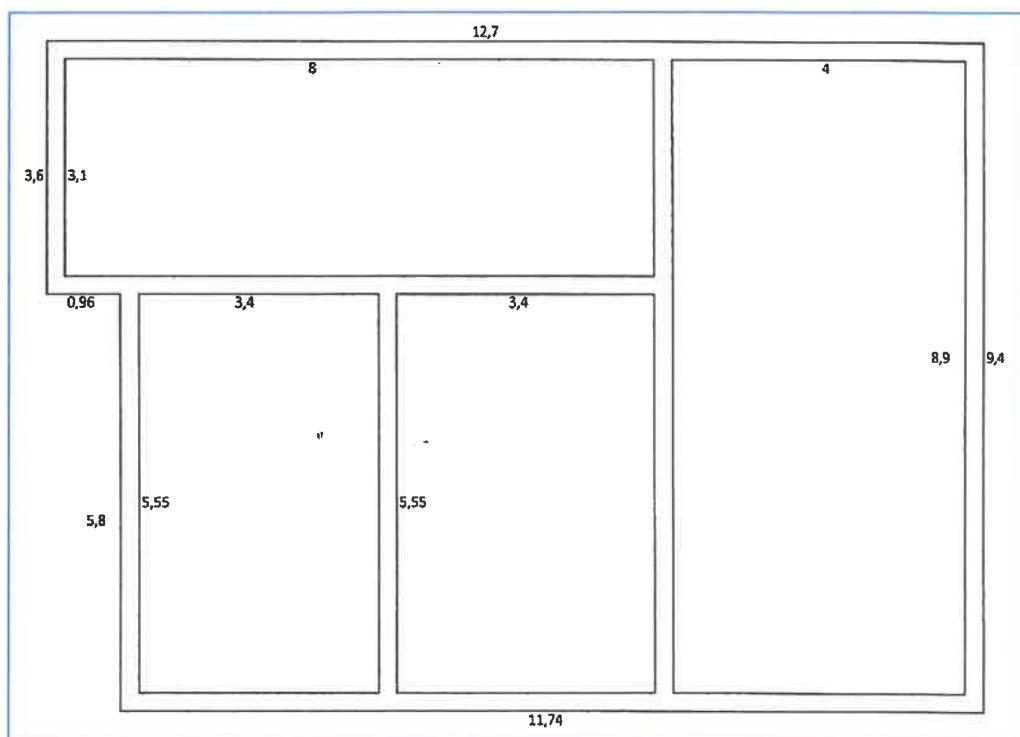


4.2 Description of the site and improvements

This building to be valued currently accommodates the Live Craft Centre. See aerial photograph below:



The building comprises a single storey plastered and painted superstructure with a pitched corrugated iron roof. Based on on-site measurements, the total construction size of improvements is approximately 114 m², while the usable, rentable area is estimated to be approximately 98 m². Accommodation comprises 4 rooms utilised as a craft market. Refer to the sketch below:



The accommodation can generally be described as dated, but in a reasonable state of repair. Refer to **Annexure A** for photographs of the subject property.

5. VALUATION METHOD

The direct comparison approach is deemed the most suitable valuation method in determining the market rental of the subject property. This approach is based on the principle of comparability and substitution. The assumption is that if similar assets in a similar market place are leased at a particular value, then the comparable asset will be leased at a similar price. Specific note was taken of the site specific characteristics, location and market conditions when determining the market rental of the subject property.

6. VALUE DETERMINATION

6.1 Market research

The property market in the immediate vicinity was investigated, and the valuer liaised with local role players to ascertain acceptable market levels for the subject property. The following relevant market information was obtained and applied in the valuation process:

No	Description	Monthly Rate (Excl. VAT)	Remarks
1	Cabriere Street (Artison Village)	R 145 / m ²	Office premises of approximately 52m ² located in relative close proximity to the subject property. Significant upward adjustment justified for the subject property due to superior location and utility.
2	2 Haumann Street (Place Vendomme)	R 333 / m ²	Asking rental of retail premises of approximately 51m ² located in relative close proximity to the subject property.
3	2 Haumann Street (Place Vendomme)	R 273 / m ²	Retail premises of approximately 33m ² located in relative close proximity to the subject property.
4	2 Haumann Street (Place Vendomme)	R 227 / m ²	Retail premises of approximately 198m ² located in relative close proximity to the subject property. The location of the subject property is considered superior, which suggests that an upward adjustment would be justified.
5	Huguenot Road	R 427 / m ²	Asking rental for retail premises of approximately 150m ² located in town centre. Indicative of the premium for retail accommodation in Huguenot Road (Main Road) in the commercial centre of Franschhoek, but a local broker indicated that it is very unlikely that this rental will be achieved in the current market.
6	Huguenot Road	R 432 / m ²	Current rental for prime retail premises in town centre. Superior location to subject property, with significant downward adjustment justified for the subject property.

6.2 Determination of market rental

The market information listed above points to a rather wide range of R 145 / m² to R 427 / m² for office accommodation in this node. The subject property is located on the periphery of the commercial centre of Franschhoek where a high premium is attached to retail space due to the excellent exposure and access to passing trade and traffic. Retail premises in the town centre generally achieve higher rentals than properties on the periphery. Numbers 5 – 6 are considered superior in terms of location, with downward adjustments justified.

Numbers 2 – 4 generally offer slightly superior accommodation on the periphery of the town centre, but with inferior exposure to passing trade, which suggests that the market rate of the subject property should fall in the range between R 227 / m² and R 333 / m².

After making the necessary adjustment for the site specific characteristics, location and other value forming characteristics, the valuer is of the opinion that a market rental of **R 260 / m²** would be fair and reasonable for the subject property, based on the available market information.

6.3 Disposal policy to NGO or non-commercial entities

The valuer was also requested to provide a recommendation regarding an appropriate discount to be applied to the market rental where assets are leased to NGO's or non-commercial public benefit entities. In this regard the valuer investigated disposal policies and budget tariffs of other organs of state, pertaining to NGO's and similar entities, to determine an appropriate range. The table below provides insight into the discounted rates offered to NGO's and similar organisations:

Organ of State	Comments
City of Cape Town	In term of the 2020/2021 Draft Asset Management Tariff Policy 10% - 25% of market rental will apply in respect of land (including improvements) leased for educational purposes.
Stellenbosch Municipality	In terms of the 2019-2020 Tariff schedule, rentals to NPO's and non-commercial entities are authorised at 20% of approved rate
Drakenstein Municipality	30% of calculated fees for NPO's, NGO's and religious organisations.
Overstrand Municipality	Discounted rate of up to 30% of market rate for NGO.

The above table suggests that NGO's and similar organisations generally enjoy discounted rental rates of between 10% and 30% of the market rate. A greater perceived public benefit would justify a higher discount.

7. DECLARATION

I, Johan Klopper a registered Professional Valuer, declare that I have inspected the above property and that I have conducted this valuation assignment to the best of my knowledge and skills. I have no present or contemplated interest in this property, and accordingly certify that this valuation was undertaken on a completely independent basis.

Based on our research and experience, we are of the opinion that the **MONTHLY MARKET RENTAL RATES** of the Live Craft Centre premises located on Erf 143 Franschoek, as at 1 June 2020, amounts to:

Description	Amount	In words
Retail	R 260 / m ²	Two Hundred and Sixty Rand per square meter (Excluding VAT)

Signed at STELLENBOSCH on this the 5th day of June 2020.



J. Klopper
Professional Valuer (Reg. No. 6372/0)
Member of the SA Institute of Valuers
BCom (Law); NDip (Property Valuation)

ANNEXURE A: PHOTOGRAPHS OF SUBJECT PROPERTY



End of report

7.2.5	LEASE PROPOSAL FOR ERECTION OF FREESTANDING TELECOMMUNICATION BASE STATION ERF 8116, STELLENBOSCH: ILANGA TECHNOLOGIES (PTY) LTD on behalf of INVICTA TOWERS
-------	---

Collaborator No:

IDP KPA Ref No:

Good Governance

Meeting Date:

15 June 2021

1. SUBJECT: LEASE PROPOSAL FOR ERECTION OF FREESTANDING TELECOMMUNICATION BASE STATION ERF 8116, STELLENBOSCH: ILANGA TECHNOLOGIES (PTY) LTD on behalf of INVICTA TOWERS

2. PURPOSE

To consider, in principle, a Lease Proposal received from ILanga Technologies, on behalf of Invicta Towers, for the erection of freestanding Telecommunication Base Stations on erf 8116, Stellenbosch. The erf is situated in Paradyskloof on an open piece of land.

3. DELEGATED AUTHORITY

In terms of Delegation EM85 the Executive Mayor, in consultation with the Executive Mayoral Committee, has the delegated authority to *"Approve Lease Agreements on Council properties for a period shorter than 10 years and a contract value of less than R5M"*.

4. EXECUTIVE SUMMARY

A Lease Proposal for the erection of freestanding Telecommunication base stations on erf 8116, Stellenbosch, was received from ILanga Technologies on behalf of Invicta Towers in January 2021 according to Mr Smit from the properties department.

In terms of the Property Management Policy Council may conclude these kind of agreements on a private treaty basis, i.e. without following a public tender process, subject thereto that Council's intention to enter into such an agreement be advertised for public inputs/comments/objections.

That process has not taken place yet. The applicant also applied for similar rights on erf 4261 Stellenbosch. The latter application is dealt with in a separate item.

5. RECOMMENDATIONS

- (a) that the portion of erf 8116, as indicated on Fig 4, be identified as land not needed for own use of during the period for which the rights are to be awarded;
- (b) that Council consider the application in regard to erf 8116.
- (c) that Should Council in principle approve a lease that a public participation process take place to elicit the public's comments/alternative proposals or objections to the lease and/or the erecting of such tower on the erf.
- (d) that council consider the final approval when the item is returned to Council after the Public Participation process
- (e) that it be noted that the current infrastructure(water pipes) on the site may not be disturbed and that further infrastructure may be added to the site in future.
- (f) that it be noted that should council approve the application all sub-leasing on the tower will have to be approved by Council.

Fig 3: Location and context



Fig 4: The Site

6.2.2 Ownership

The ownership of 8116 vests with Stellenbosch Municipality by virtue of Title Deeds T44240/1974 and T44262/1985, respectively.

6.2.3 Legal requirements

6.2.3.1. Asset Transfer Regulations

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- c) The Accounting officer has concluded a public participation process*; and
- d) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- a) The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and
- b) A long-term right is proposed to be granted (i.e. longer than 10 years).

None of the assets has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;

- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- c) the value of the asset; or
- d) the period for which the right is granted

*The Policy on the Management of Council owned property is deemed to be Stellenbosch Municipality's Disposal Management System.

6.2.3.2 Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct **negotiations**, but only in **specific circumstances**, and only after having **advertised** Council's intention so to act. One of the circumstances listed in (g) is where unsolicited applications/proposals are received from telecommunication companies to construct or put up communication infrastructure on municipal land, such as masts, dishes, etc., subject to the approved tariff structure*. *See par. 6.4.3 below.

Further, in terms of paragraph 9.2.2.2, the reasons for any such deviation from the competitive process must be recorded.

6.2.3.4 Telecommunication Mast Infrastructure Policy (2017)

Council adopted the above policy in 2017. Should Council therefor approve of the application to conclude a Lease Agreement for the construction of a freestanding telecommunication base station, it will be subject thereto that all the necessary Land Use rights and building plan approvals are obtained from the Planning Department.

Only when such approvals/authorisations are in place, the Lease Agreement will come into operation.

6.4 Financial Implications

In terms of the approved tariff structure a monthly fee of R6300 will be payable. They will also be responsible for the actual cost in relation to the publication of the public notice.

Should Council approve of the application it will result in an annual income of R75 600.00; i.e R749 700 over a lease period of 9 years and 11 months (without taking into account the annual escalation).

6.5 Legal Implications

See par. 6.2.3. above.

6.6 Staff Implications

There are no additional staff implications.

6.7 Previous / Relevant Council Resolutions

None

6.8 Risk Implications

There is infrastructure on the land and any building plans will have to take that into account. Should the land be needed for future use for the provision of services the attachments to the land will have to be removed or will become municipal property if not removed without paying for the improvements by the Municipality.

6.9 Comments from Senior Management

The item was sent for comments on 5 February 2021. No other comments were received.

Comments from Infrastructure services attached as **APPENDIX 2**.

ANNEXURES: **Appendix 1: Proposal from ILanga to lease Erf 8116**

Appendix 2: Input from Infrastructure Services

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	<u>Piet.smit@Stellenbosch.gov.za</u>
REPORT DATE	2021-06-09

APPENDIX 1

PROPOSAL TO LEASE MUNICIPAL LAND FOR A FREESTANDING TELECOMMUNICATION BASE STATION

Erf 8116, STELLENBOSCH



Curt van Wyk

Town and Regional Planner (Site Acquisition)

+27(0)718 711 630



Email: curt@ilangatech.com

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1 MOTIVATION

1.1 HISTORICAL BACKGROUND

Over recent years' cellular communication in South Africa evolved from merely a means of convenience to an essential business tool, means of communication and safety measure. Initial high tariff rates limited the accessibility of the products and its service. However, over time more reasonable consumer tariffs and packages have been introduced, making cellular communication more accessible to a much larger sector of the population.

Data usage on the networks are also becoming faster, more affordable and more accessible. User behavior patterns are continuously changing in reaction to cheap internet, new data intensive smart phones, data intensive applications and websites, and an increasing social media driven society. These factors resulted in the average consumer data usage doubling every year.

The current cellular infrastructure is not equipped to handle this demand which leads to a congested network with connection problems and dropped calls on the voice network and limited and unstable internet connections on the data network.

Cellular service provider is taking steps to improve their network by keeping abreast with the advances in communication technology and providing increased capacity in terms of coverage in the areas where there is an increased demand. We strive to make this technology available to the wider spectrum of the population.

Newer technology like LTE provide faster internet to more users which alleviate the pressure on the base station, but its range is very limited. A single old generation GSM voice based base stations could cover dozens of kilometers. The new LTE base stations have a maximum coverage range of 500m depending on the number of users.

The congestion of existing sites together with a decrease in its coverage range necessitates that the distance between base stations decrease resulting in the construction of new freestanding and rooftop cellular base stations.

It is calculated that cellular network operators are South Africa will build 2800 new base stations in the next 5 years.

The proposed site is located at a nominal point as identified by network planners. By utilizing sites located at the network's nominal point the number of future base stations are limited and an effective service network can be developed.



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PROPOSED TELECOMMUNICATION BASE STATION

2 INTRODUCTION

2.1 REGISTERED OWNER

The registered owner of the subject property is identified as STELLENBOSCH MUNICIPALITY. Consent will be needed from this institution in order to proceed with the submission of a land use application (consent use) and building plans for the proposed free standing telecommunication base station.

2.2 CLIENT

Invicta Towers and Ilanga Technologies (Pty) Ltd will submit a land use and building plan application to Stellenbosch Local Municipalities for the permission to erect a free standing telecommunication base station on the subject property, Erf 8116, Stellenbosch Municipality.

3 REGISTERED DETAIL

3.1 TITLE DEED & CONVEYANCER'S INVESTIGATION

Table 1 reflects the current registered detail of Erf 8116, Stellenbosch.

TABLE 1 – REGISTERED DETAILS			
REGISTERED DESCRIPTION	TITLE DEED No.	REGISTERED OWNER	EXTENT
Erf 8116, Stellenbosch	T44262/1985	STELLENBOSCH MUNICIPALITY	1,3741ha

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PROPOSED TELECOMMUNICATION BASE STATION

3.2 WINDEED OF SUBJECT PROPERTY

Please see extract of the subject property's windeed below.

Printed: 2020-11-23 09:18

WinDeed Property Report

windeed
A LexisNexis® Product

Township **STELLENBOSCH, Erf 8116/0**

REGISTERED PROPERTY DETAILS

Property Type	ERF	Diagram Deed	DU 1000/800
Erf Number	8116	Registered Size	1,3741HA
Portion Number	0	Municipality	STELLENBOSCH MUN
Township	STELLENBOSCH	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Coordinates (Lat/Long)	-33.962112 / 18.852623
Deeds Office	CAPE TOWN		

OWNER DETAILS

Owner 1 of 1

Person Type	COMPANY	Title Deed	T44262/1985
Name	MUN STELLENBOSCH	Purchase Date	-
Registration Number		Purchase Price (R)	-
Share (%)	-	Registration Date	1985/12/03

MAPS




PROPERTY INFORMATION

Address	-
Primary Use	-
Estate	-

Room Configuration

Bedrooms	2	Reception Areas	-
Bathrooms	1	Study/Office	-
Kitchens	1		
Internal Finishes	-		

General Information

Door Number	-	Roof Type	-
Floor Size (m²)	-	Wall Type	-
Storeys	-	Construction Year	-

Other Features

Garages	-	Additional Dwellings	-
Garden	-		
Pool	-		

MUNICIPAL VALUATION

Municipal Valuation		Valuation Year	-
Zoning Usage			

4 SITE & CONTEXTUAL ANALYSIS

4.1 LOCATION



Figure 1. Locality

Erf 8116, Stellenbosch is located in the suburb of Paradyskloof in Stellenbosch. (Please see figure 1. and attached locality plan)

PROPOSED TELECOMMUNICATION BASE STATION

4.2 LAND USE

The property is currently zoned Public Open Space Zone and therefore a free standing telecommunication base station is permitted as a consent use according to the Stellenbosch Municipality Zoning Scheme By-Law 2019, applicable to Stellenbosch.



Figure 2 – Zoning map

5 DEVELOPMENT PROPOSAL

5.1 APPLICATION SPECIFICATIONS

The client, Invicta Towers, with consent of the property owner wishes to submit building plans in order to erect a 30m on an 8m x 8m (64m²) area.



Figure 3 – Proposed site

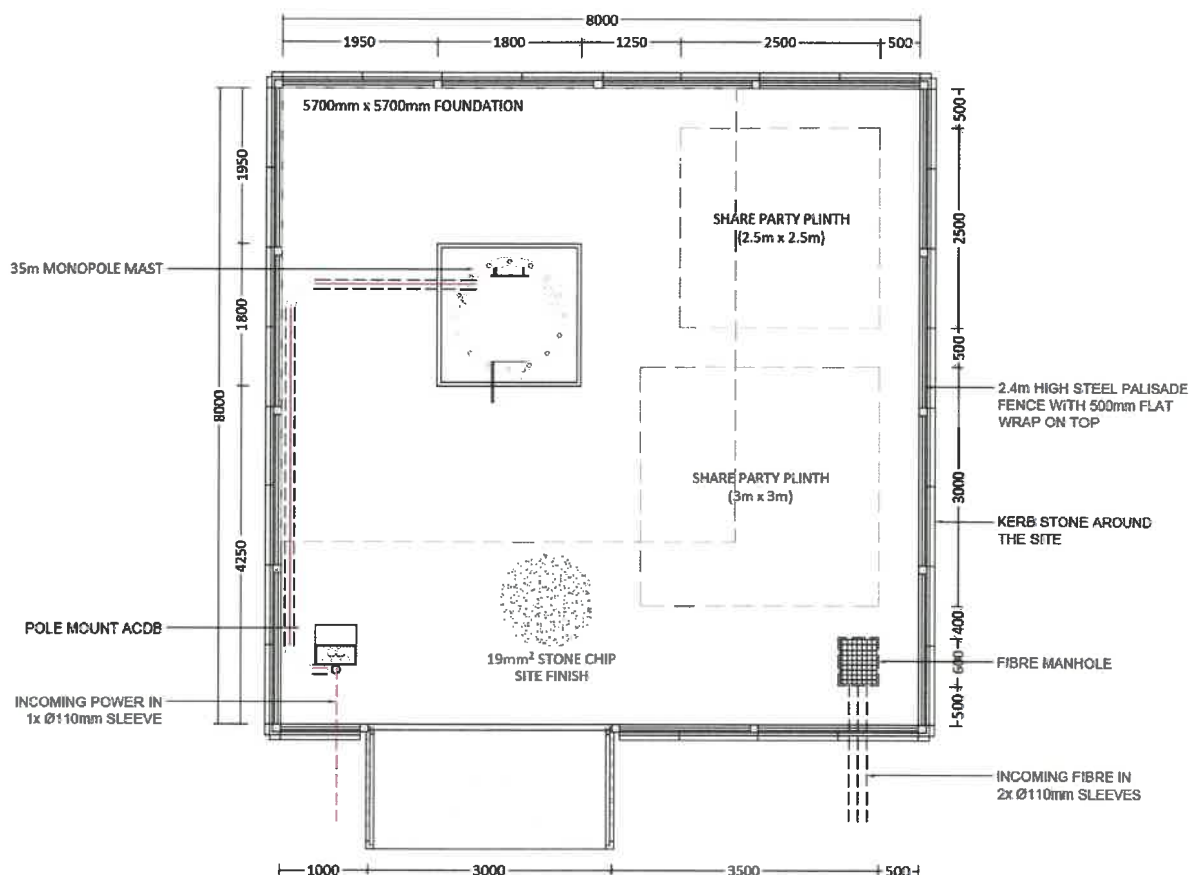
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5.2 DEVELOPMENT CONCEPT

The application comprises the following proposed development parameters:

The total ground coverage of the proposed free standing telecommunication base station (tree tower) will be 64m² (8m x 8m) in extent. (Please see figure 4. below)



PROPOSED TELECOMMUNICATION BASE STATION

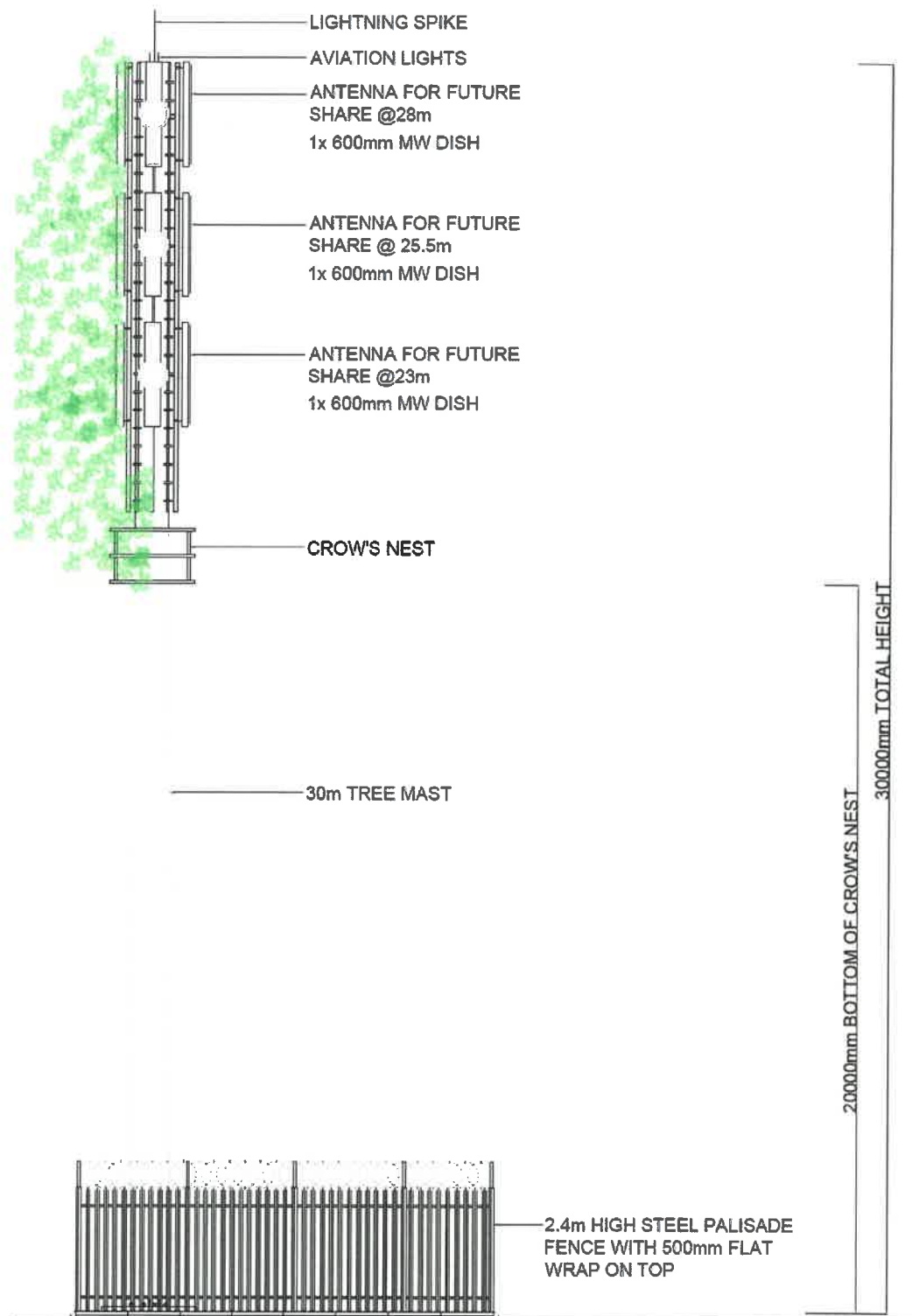


Figure 4. Proposed freestanding telecommunication mast

5.3 ACCESS

The subject property gains access from Blaauwklippen Road as depicted in figure 5-6 below.



Figure 5. Access to subject property



Figure 6. Picture of access to subject property

5.4 NEED AND DESIRABILITY

INVICTA TOWERS is required to continuously upgrade and expand the current cellular network to keep up with advancing technology and escalating demand. This advancing cellular technology incorporates internet connectivity in addition to cellular telephony and more and more subscribers rely on their cellular networks for internet connections as modems or directly through their handsets. Internet connections use up far more of the network capacity than regular calls and consequently the current networks are rapidly becoming inadequate resulting in dropped calls.

The existing coverage for this area is not very good and subscribers experience network congestion and dropped calls and it has been determined by the radio planners that it is necessary to supplement the network in this area with an additional base station. The site that has been selected forms part of a capacity upgrade plan in the area. The serving cells in the area are reaching their capacity limit and from a planning and optimization perspective it is essential that a new site be built to prevent future congestion. The site will also give coverage to the surroundings as there are complaints received by the Network Quality Department in this regard.

Cellular phones have become an integral part of our way of life and fulfill an important role in most people's daily life. Cellular phones have become of utmost importance since communication is made much easier and more readily available. To provide effective cellular phone communications, cellular telephone masts must be provided by the various public operators and placed on specific locations predetermined by professional personnel.

The current demand and popularity of cellular telephones surpassed all expectations and subsequently the existing networks are insufficient to handle daily calls in certain areas. Presently cellular telephones are an everyday use article with a large percentage of subscribers throughout the country. Nowadays it is hard to find a person that does not use a cellular phone. The development of cellular telephone masts is of national interest because it promotes communications and places telephone communication within reach of the entire population.

Data usage through cellular phones, modems, and other mobile devices such as iPads, Smart Phones, etc., all require good 3G (and recently added 4G) coverage to operate effectively. The more evolved the devices become, the denser the telecommunication infrastructure will have to become as more and more signal / coverage will be required.

The permission application is submitted to the Stellenbosch Municipality to obtain the desired rights as required by our client and prescribed by ruling policies and legislation. The application is made to lease 64m² to permit the construction of a telecommunication mast on the application site.



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PROPOSED TELECOMMUNICATION BASE STATION

The position was calculated, considering the topography, surrounding land uses and available land, ecological sensitivity, and the placement of other Telecommunication masts in the area. The socio-economic profile of the consumers is also considered. Additionally, the technical specifications of the Radio-planner must be adhered to.

The current cellular telephone infrastructure in this part of and surrounding areas are reaching their maximum carrying capacities. Cellular telephone masts have a limited number of calls / data usages that it can handle at any given time. If the number of calls / data usage is exceeded, it results in calls being cut off and slow internet connections.

The need for additional infrastructure is also determined by the number of subscribers that contact service providers and complain about poor signals in their areas. Therefore, a need arises for more cellular telephone infrastructure in the Stellenbosch area.

As mentioned above, several complaints on poor signal have been received from residents in the area. A Telecommunication mast, being 30m high and requiring a site that will be approximately 64m² in total, was therefore proposed by INVICTA TOWERS in order to serve this area of Stellenbosch Municipality, the surrounding community and future developments with sufficient 2G and 3G (and 4G) signal/coverage.

Broadband penetration in general within South Africa is very low. This situation can be ascribed to the unavailability of electronic communication infrastructure which largely includes Telecommunication Masts. For this to be rectified, the Department of Telecommunications and Postal Services (DTPS) has placed enormous pressures on services providers in South Africa such as MTN(Pty) Ltd to provide more infrastructure. According the National Broadband Policy for South Africa, 2010, some disadvantages associated with the lack of adequate infrastructure include:

- Lower access to efficacy in Government Processes
- South Africa becomes a less competitive destination for investment
- An increase in the digital divide

Reduced access to employment opportunities and job creation.

The DTPS has stated in the National Broadband Policy for South Africa, 2010, that in order for their vision for universal access to Broadband to be achieved in 2020, the country has to see an increase in reliable, robust and secure infrastructure that is available, accessible and affordable to all. For the cost of communication to be reduced, there should be a rollout of infrastructure such as Telecommunication masts throughout South Africa.

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5.5 CONCLUSION

The proposed free standing telecommunication mast base station on Erf 4261, Stellenbosch, will provide an essential and sort after service to the surrounding community, businesses and commuters. The proposed Telecommunication site is in line with the Stellenbosch Municipality's Stellenbosch Municipality Zoning Scheme By-Law 2019, and have a minimal impact on the surrounding property.

We trust that the application will meet your requirements and will receive your positive consideration.



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APPENDIX 2



Please find the water services infrastructure on proposed site.

This site might be earmarked for future water infrastructure and any new structures must be discussed with water services.

From: Lize-Mari Visser [<mailto:Lize-Mari.Visser@stellenbosch.gov.za>]

Sent: Friday, 05 February 2021 08:54

To: Adriaan Kurtz <Adriaan.Kurtz@stellenbosch.gov.za>; Clayton Hendricks

<Clayton.Hendricks@stellenbosch.gov.za>; Jeri-Lee Mowers <Jeri-Lee.Mowers@stellenbosch.gov.za>; Johan Fullard

<Johan.Fullard@stellenbosch.gov.za>; Nombulelo Zwane <Nombulelo.Zwane@stellenbosch.gov.za>

Cc: Deon Louw <Deon.Louw@stellenbosch.gov.za>; Joy Julius <Wayleave@stellenbosch.gov.za>; Justine Fielies

<Justine.Fielies@stellenbosch.gov.za>; Megan Daniels <Megan.Daniels@stellenbosch.gov.za>; Tanya Carstens

<Tanya.Carstens@stellenbosch.gov.za>; Tashlee Ismail <Tashlee.Ismail@stellenbosch.gov.za>

Subject: FW: Kan ek dit maar uistuur vir kommentaar en vir wie almal

Good morning,

Please provide comment by 09/02/2021.



Kind regards,

Lizé-Mari Visser

Personal Assistant to

Director: Infrastructure Services

T: +27 21 808 8213 | F: +27 883 9912

1st Floor, Ecclesia Building, 71 Plein Street,
Stellenbosch, 7600

www.stellenbosch.gov.za

7.2.6	APPLICATION TO LEASE: PORTION OF ERF 4261 (DALSIG), STELLENBOSCH : CELLPHONE TOWER(S) : ATLAS TOWERS AND ILANGA TECHNOLOGIES, ON BEHALF OF INVICTA TOWERS
-------	--

Collaborator No:

IDP KPA Ref No:

Good Governance

Meeting Date:

15 June 2021

1. SUBJECT: APPLICATION TO LEASE: PORTION OF ERF 4261 (DALSIG), STELLENBOSCH : CELLPHONE TOWER(S) : ATLAS TOWERS AND ILANGA TECHNOLOGIES, ON BEHALF OF INVICTA TOWERS

2. PURPOSE

To inform council of the 2 applications received from 2 different companies namely Atlas Towers and Ilanga Technologies, on behalf of Invicta Towers allowing them to construct new base stations on a portion of erf 4261, Stellenbosch. Council must consider the applications to lease the land for this purpose.

3. DELEGATED AUTHORITY

In terms of Delegation EM85 the Executive Mayor, in consultation with the Executive Mayoral Committee, has the delegated authority to “*Approve Lease Agreements on Council properties for a period shorter than 10 years and a contract value of less than R5M*”.

4. EXECUTIVE SUMMARY

On 2018-06-18, following a written request to this effect, a Special Power of Attorney was issued to Atlas Towers to apply for the necessary authorisation to construct a new base station (communication tower) on a portion of erf 4261, Stellenbosch. The delegation to sign these requests was subsequently revoked from the Manager Properties and Maintenance.

This application (building plan) was subsequently approved and they now want to enter into a Lease Agreement with the Municipality (**APPENDIX 3**). The application is dated 5 December 2018.

A further application to erect a base station tower on the same property was also received from Ilanga Technologies, on behalf of Invicta Towers (**APPENDIX 4**). The application is undated, but was received in January 2021 according to Mr Smit from the property department.

In terms of the Property Management Policy Council may conclude lease agreements on a private treaty basis, i.e. without following a public tender process, subject thereto that Council's intention so to enter into such a contract is advertised for public inputs/comments/objections. It is however clear that there are competing interests on this land and Council must take that into account when considering the applications.

There is also a reservoir on the property and the Water Services department has indicated that further infrastructure may be built on the site in future (**APPENDIX 5**). On the reservoir there are telemetry towers and other signals may interfere with our network services from the site. The Mayor in consultation with the Mayoral Committee can therefore consider the application.

5. RECOMMENDATION

For consideration

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Application for a Power of Attorney

On 2018.06.18, following a written request to this effect, a Special Power of Attorney was issued to Atlas Towers to apply for the necessary authorisation to construct a new base station (communication tower) on a portion of Erf 4261, Stellenbosch, a copy of which is attached as **APPENDIX 1**.

6.1.2 Approval of building plans

On 22 November 2018 this Department was informed that the necessary authorisation (building plan approval) has been received from Stellenbosch Municipality, a copy of which is attached as **APPENDIX 2**. They have applied for a Lease Agreement with Stellenbosch Municipality to enable them to construct a base station on a portion of erf 4261, Stellenbosch. A copy of the application is attached as **APPENDIX 3**. A further application to erect a base station tower on the same property was also received from Ilanga Technologies, on behalf of Invicta Towers (**APPENDIX 4**).

6.2. DISCUSSION

6.2.1 Property description

Erf 4261, Stellenbosch is situated in Nooitgedacht street in Dalsig, as shown, on Fig 1 and 2, below.



Fig 1: Location and context



Fig 2: Size of property

6.2.3 Current use

The site currently house a municipal reservoir, but there is enough space to cater for the base station. The department indicated that the site might be needed for further infrastructure in future.

6.2.4 Ownership

The ownership of erf 4261 vests with Stellenbosch Municipality by virtue of Title Deed T44240/1974.

6.3 Financial Implications

In terms of the approved tariff structure a monthly fee of R6300 will be payable. They will also be responsible for the actual cost in relation to the publication of the public notice.

Should Council approve of the application it will result in an annual income of R75 600.00; i.e. R749 700 over a lease period of 9 years and 11 months (without taking into account the annual escalation).

It needs to be taken into account that the base stations are sub-leased to companies who wants to put disks or smaller towers on to provide internet. Space is then rented from the company that has the base station.

6.5 Legal Implications

6.5.1 Asset Transfer Regulations

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- e) The Accounting officer has concluded a public participation process*; and

- f) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- c) The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and

- d) A long-term right is proposed to be granted (i.e. longer than 10 years).

None of the assets has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;
- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- e) the value of the asset; or
- f) the period for which the right is granted

*The policy on the Management of Council owned property is deemed to be Stellenbosch Municipality's disposal management System.

6.5.2 Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct **negotiations**, but only in **specific circumstances**, and only after having **advertised** Council's intention so to act.

One of the circumstances listed in (g) is where unsolicited applications/proposals are received from telecommunication companies to construct or put up communication infrastructure on Municipal land, such as masts, dishes, etc., subject to approved tariff structure*.

*See par. 4.3 below.

Further, in terms of paragraph 9.2.2.2, the reasons for any such deviation from the competitive process must be recorded.

6.5.3 Telecommunication Mast Infrastructure Policy (2017)

Council adopted the above policy in 2017. Should Council therefor approve of the application to conclude a Lease Agreement for the construction of a freestanding telecommunication base station, it will be subject thereto that all the necessary Land Use rights and building plan approvals are obtained from the Planning Department.

Only when such approvals/authorisations are in place, the Lease Agreement will come into operation.

6.6 Staff Implications

There are no staff implications, should the recommendations be approved.

6.7 Previous / Relevant Council Resolutions

None

6.8 Risk Implications

Risks are indicated in the item.

6.9 Comments from Senior Management

The item was sent out for comments on 5 February 2021 and the water services commented – see **Appendix 5**.

ANNEXURES:

- Appendix 1: Special Power of Attorney**
- Appendix 2: Building Plan approval**
- Appendix 3: Application**
- Appendix 4: Application Ilanga Technologies, on behalf of Invicta Towers**
- Appendix 5: Comments from Water Services Department**

FOR FURTHER DETAILS CONTACT:

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POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	Annalene.deBeer@stellenbosch.org.za
REPORT DATE	2021 – 06-10

APPENDIX 1

PROPOSAL TO LEASE MUNICIPAL LAND FOR A FREESTANDING TELECOMMUNICATION BASE STATION

Erf 8116, STELLENBOSCH



Curt van Wyk

Town and Regional Planner (Site Acquisition)

+27(0)718 711 630



Email: curt@ilangatech.com

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1 MOTIVATION

1.1 HISTORICAL BACKGROUND

Over recent years' cellular communication in South Africa evolved from merely a means of convenience to an essential business tool, means of communication and safety measure. Initial high tariff rates limited the accessibility of the products and its service. However, over time more reasonable consumer tariffs and packages have been introduced, making cellular communication more accessible to a much larger sector of the population.

Data usage on the networks are also becoming faster, more affordable and more accessible. User behavior patterns are continuously changing in reaction to cheap internet, new data intensive smart phones, data intensive applications and websites, and an increasing social media driven society. These factors resulted in the average consumer data usage doubling every year.

The current cellular infrastructure is not equipped to handle this demand which leads to a congested network with connection problems and dropped calls on the voice network and limited and unstable internet connections on the data network.

Cellular service provider is taking steps to improve their network by keeping abreast with the advances in communication technology and providing increased capacity in terms of coverage in the areas where there is an increased demand. We strive to make this technology available to the wider spectrum of the population.

Newer technology like LTE provide faster internet to more users which alleviate the pressure on the base station, but its range is very limited. A single old generation GSM voice based base stations could cover dozens of kilometers. The new LTE base stations have a maximum coverage range of 500m depending on the number of users.

The congestion of existing sites together with a decrease in its coverage range necessitates that the distance between base stations decrease resulting in the construction of new freestanding and rooftop cellular base stations.

It is calculated that cellular network operators are South Africa will build 2800 new base stations in the next 5 years.

The proposed site is located at a nominal point as identified by network planners. By utilizing sites located at the network's nominal point the number of future base stations are limited and an effective service network can be developed.



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PROPOSED TELECOMMUNICATION BASE STATION

2 INTRODUCTION

2.1 REGISTERED OWNER

The registered owner of the subject property is identified as STELLENBOSCH MUNICIPALITY. Consent will be needed from this institution in order to proceed with the submission of a land use application (consent use) and building plans for the proposed free standing telecommunication base station.

2.2 CLIENT

Invicta Towers and Ilanga Technologies (Pty) Ltd will submit a land use and building plan application to Stellenbosch Local Municipalities for the permission to erect a free standing telecommunication base station on the subject property, Erf 8116, Stellenbosch Municipality.

3 REGISTERED DETAIL

3.1 TITLE DEED & CONVEYANCER'S INVESTIGATION

Table 1 reflects the current registered detail of Erf 8116, Stellenbosch.

TABLE 1 – REGISTERED DETAILS			
REGISTERED DESCRIPTION	TITLE DEED No.	REGISTERED OWNER	EXTENT
Erf 8116, Stellenbosch	T44262/1985	STELLENBOSCH MUNICIPALITY	1,3741ha

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PROPOSED TELECOMMUNICATION BASE STATION

3.2 WINDEED OF SUBJECT PROPERTY

Please see extract of the subject property's windeed below.

Printed: 2020-11-23 09:18

WinDeed Property Report

windeed
A LexisNexis® Product

Township **STELLENBOSCH, Erf 8116/0**

REGISTERED PROPERTY DETAILS

Property Type	ERF	Diagram Deed	DU 1000/800
Erf Number	8116	Registered Size	1,3741HA
Portion Number	0	Municipality	STELLENBOSCH MUN
Township	STELLENBOSCH	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Coordinates (Lat/Long)	-33.962112 / 18.852623
Deeds Office	CAPE TOWN		

OWNER DETAILS

Owner 1 of 1

Person Type	COMPANY	Title Deed	T44262/1985
Name	MUN STELLENBOSCH	Purchase Date	-
Registration Number		Purchase Price (R)	-
Share (%)	-	Registration Date	1985/12/03

MAPS




PROPERTY INFORMATION

Address	-
Primary Use	-
Estate	-

Room Configuration

Bedrooms	2	Reception Areas	-
Bathrooms	1	Study/Office	-
Kitchens	1		
Internal Finishes	-		

General Information

Door Number	-	Roof Type	-
Floor Size (m²)	-	Wall Type	-
Storeys	-	Construction Year	-

Other Features

Garages	-	Additional Dwellings	-
Garden	-		
Pool	-		

MUNICIPAL VALUATION

Municipal Valuation		Valuation Year	-
Zoning Usage			

4 SITE & CONTEXTUAL ANALYSIS

4.1 LOCATION



Figure 1. Locality

Erf 8116, Stellenbosch is located in the suburb of Paradyskloof in Stellenbosch. (Please see figure 1. and attached locality plan)

PROPOSED TELECOMMUNICATION BASE STATION

4.2 LAND USE

The property is currently zoned Public Open Space Zone and therefore a free standing telecommunication base station is permitted as a consent use according to the Stellenbosch Municipality Zoning Scheme By-Law 2019, applicable to Stellenbosch.



Figure 2 – Zoning map

5 DEVELOPMENT PROPOSAL

5.1 APPLICATION SPECIFICATIONS

The client, Invicta Towers, with consent of the property owner wishes to submit building plans in order to erect a 30m on an 8m x 8m (64m²) area.



Figure 3 – Proposed site

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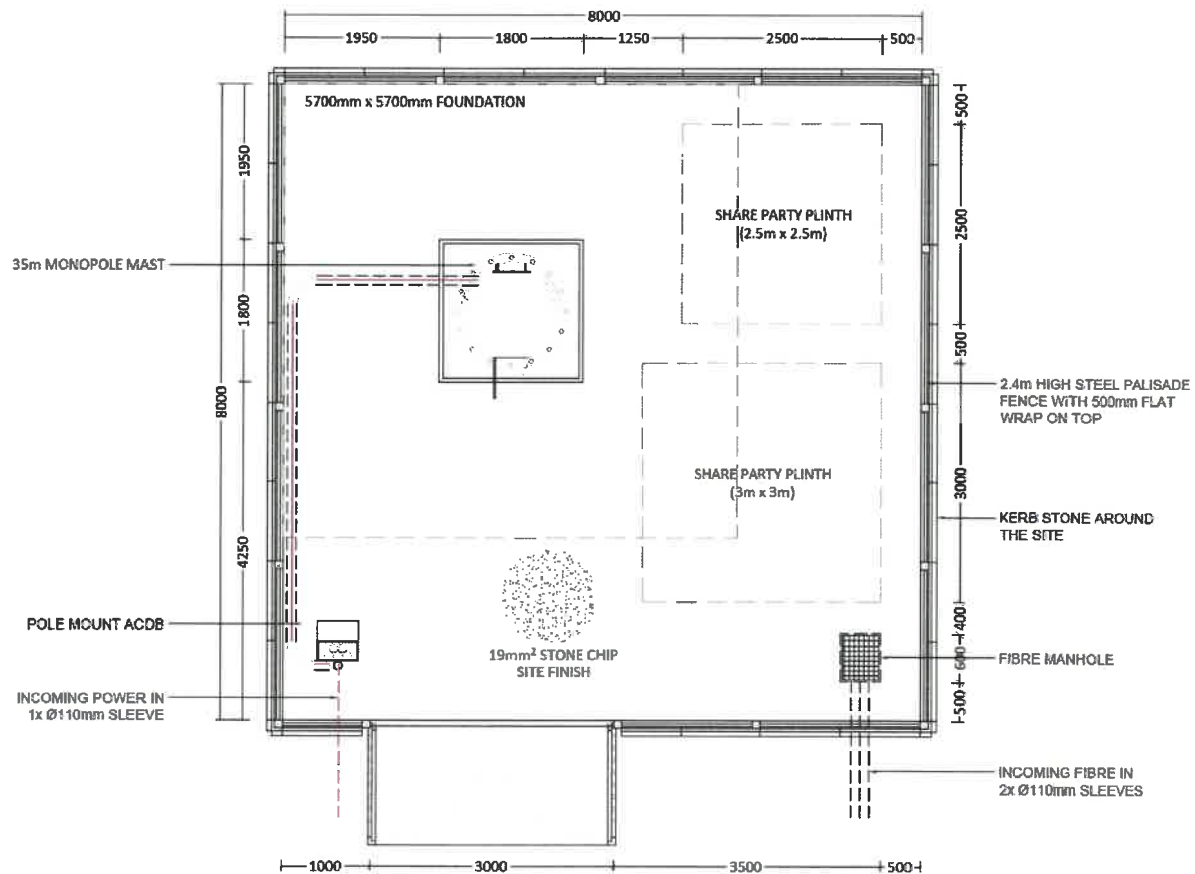
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 E: info@ilangatech.com T: 0861 111 017

PROPOSED TELECOMMUNICATION BASE STATION

5.2 DEVELOPMENT CONCEPT

The application comprises the following proposed development parameters:

The total ground coverage of the proposed free standing telecommunication base station (tree tower) will be 64m² (8m x 8m) in extent. (Please see figure 4. below)



PROPOSED TELECOMMUNICATION BASE STATION

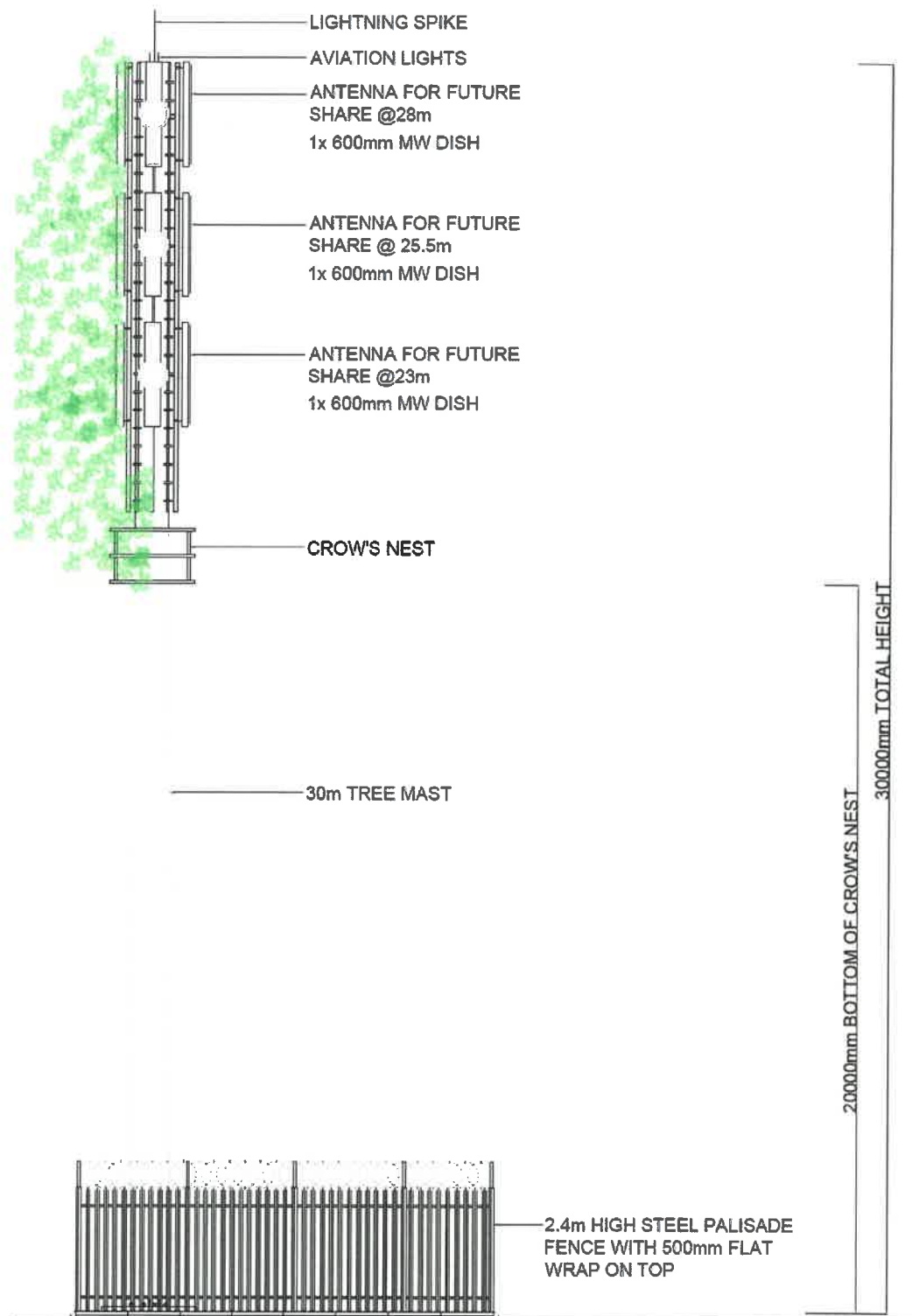


Figure 4. Proposed freestanding telecommunication mast

5.3 ACCESS

The subject property gains access from Blaauwklippen Road as depicted in figure 5-6 below.



Figure 5. Access to subject property



Figure 6. Picture of access to subject property

5.4 NEED AND DESIRABILITY

INVICTA TOWERS is required to continuously upgrade and expand the current cellular network to keep up with advancing technology and escalating demand. This advancing cellular technology incorporates internet connectivity in addition to cellular telephony and more and more subscribers rely on their cellular networks for internet connections as modems or directly through their handsets. Internet connections use up far more of the network capacity than regular calls and consequently the current networks are rapidly becoming inadequate resulting in dropped calls.

The existing coverage for this area is not very good and subscribers experience network congestion and dropped calls and it has been determined by the radio planners that it is necessary to supplement the network in this area with an additional base station. The site that has been selected forms part of a capacity upgrade plan in the area. The serving cells in the area are reaching their capacity limit and from a planning and optimization perspective it is essential that a new site be built to prevent future congestion. The site will also give coverage to the surroundings as there are complaints received by the Network Quality Department in this regard.

Cellular phones have become an integral part of our way of life and fulfill an important role in most people's daily life. Cellular phones have become of utmost importance since communication is made much easier and more readily available. To provide effective cellular phone communications, cellular telephone masts must be provided by the various public operators and placed on specific locations predetermined by professional personnel.

The current demand and popularity of cellular telephones surpassed all expectations and subsequently the existing networks are insufficient to handle daily calls in certain areas. Presently cellular telephones are an everyday use article with a large percentage of subscribers throughout the country. Nowadays it is hard to find a person that does not use a cellular phone. The development of cellular telephone masts is of national interest because it promotes communications and places telephone communication within reach of the entire population.

Data usage through cellular phones, modems, and other mobile devices such as iPads, Smart Phones, etc., all require good 3G (and recently added 4G) coverage to operate effectively. The more evolved the devices become, the denser the telecommunication infrastructure will have to become as more and more signal / coverage will be required.

The permission application is submitted to the Stellenbosch Municipality to obtain the desired rights as required by our client and prescribed by ruling policies and legislation. The application is made to lease 64m² to permit the construction of a telecommunication mast on the application site.



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PROPOSED TELECOMMUNICATION BASE STATION

The position was calculated, considering the topography, surrounding land uses and available land, ecological sensitivity, and the placement of other Telecommunication masts in the area. The socio-economic profile of the consumers is also considered. Additionally, the technical specifications of the Radio-planner must be adhered to.

The current cellular telephone infrastructure in this part of and surrounding areas are reaching their maximum carrying capacities. Cellular telephone masts have a limited number of calls / data usages that it can handle at any given time. If the number of calls / data usage is exceeded, it results in calls being cut off and slow internet connections.

The need for additional infrastructure is also determined by the number of subscribers that contact service providers and complain about poor signals in their areas. Therefore, a need arises for more cellular telephone infrastructure in the Stellenbosch area.

As mentioned above, several complaints on poor signal have been received from residents in the area. A Telecommunication mast, being 30m high and requiring a site that will be approximately 64m² in total, was therefore proposed by INVICTA TOWERS in order to serve this area of Stellenbosch Municipality, the surrounding community and future developments with sufficient 2G and 3G (and 4G) signal/coverage.

Broadband penetration in general within South Africa is very low. This situation can be ascribed to the unavailability of electronic communication infrastructure which largely includes Telecommunication Masts. For this to be rectified, the Department of Telecommunications and Postal Services (DTPS) has placed enormous pressures on services providers in South Africa such as MTN(Pty) Ltd to provide more infrastructure. According the National Broadband Policy for South Africa, 2010, some disadvantages associated with the lack of adequate infrastructure include:

- Lower access to efficacy in Government Processes
- South Africa becomes a less competitive destination for investment
- An increase in the digital divide

Reduced access to employment opportunities and job creation.

The DTPS has stated in the National Broadband Policy for South Africa, 2010, that in order for their vision for universal access to Broadband to be achieved in 2020, the country has to see an increase in reliable, robust and secure infrastructure that is available, accessible and affordable to all. For the cost of communication to be reduced, there should be a rollout of infrastructure such as Telecommunication masts throughout South Africa.

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5.5 CONCLUSION

The proposed free standing telecommunication mast base station on Erf 4261, Stellenbosch, will provide an essential and sort after service to the surrounding community, businesses and commuters. The proposed Telecommunication site is in line with the Stellenbosch Municipality's Stellenbosch Municipality Zoning Scheme By-Law 2019, and have a minimal impact on the surrounding property.

We trust that the application will meet your requirements and will receive your positive consideration.



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E: info@ilangatech.com T: 0861 111 017

APPENDIX 2



Please find the water services infrastructure on proposed site.

This site might be earmarked for future water infrastructure and any new structures must be discussed with water services.

From: Lize-Mari Visser [<mailto:Lize-Mari.Visser@stellenbosch.gov.za>]

Sent: Friday, 05 February 2021 08:54

To: Adriaan Kurtz <Adriaan.Kurtz@stellenbosch.gov.za>; Clayton Hendricks

<Clayton.Hendricks@stellenbosch.gov.za>; Jeri-Lee Mowers <Jeri-Lee.Mowers@stellenbosch.gov.za>; Johan Fullard

<Johan.Fullard@stellenbosch.gov.za>; Nombulelo Zwane <Nombulelo.Zwane@stellenbosch.gov.za>

Cc: Deon Louw <Deon.Louw@stellenbosch.gov.za>; Joy Julius <Wayleave@stellenbosch.gov.za>; Justine Fielies

<Justine.Fielies@stellenbosch.gov.za>; Megan Daniels <Megan.Daniels@stellenbosch.gov.za>; Tanya Carstens

<Tanya.Carstens@stellenbosch.gov.za>; Tashlee Ismail <Tashlee.Ismail@stellenbosch.gov.za>

Subject: FW: Kan ek dit maar uistuur vir kommentaar en vir wie almal

Good morning,

Please provide comment by 09/02/2021.



Kind regards,

Lizé-Mari Visser

Personal Assistant to

Director: Infrastructure Services

T: +27 21 808 8213 | F: +27 883 9912

1st Floor, Ecclesia Building, 71 Plein Street,
Stellenbosch, 7600

www.stellenbosch.gov.za

APPENDIX 3

Director: Property Management

Stellenbosch Municipality
Town House Complex
Plein Street
Stellenbosch
7600

5 December 2018

APPLICATION TO LEASE A PORTION OF ERF 4261 STELLENBOSCH

Dear Mr Smit,

Our client, Atlas Tower, would like to lease a portion of Erf 4261 Stellenbosch, for the installation of a freestanding telecommunication base station.

The base station is proposed at the following coordinates: 33°57'2.51"S; 18°52'2.47"E. The proposed position has been indicated on the attached site plan. The lease space required is 100m² in order to accommodate the equipment units for the various service providers, as well as the mast. The height of the tower is proposed at 25m and the structure type is proposed as a monopole mast, camouflaged as a tree. The main purpose of this tower will be to provide improved network coverage for the various service providers (MTN, Vodacom, Cell C and Telkom Mobile) for the area of Welgelegen, Stellenbosch.

The proposed base station will be greatly beneficial to residents of Welgelegen and the surrounding communities, businesses and commuters in the area by providing improved network coverage for all mobile users. Telecommunications service coverage in the area is poor.

Please note that a building plan application was approved on 19 November 2018.

Please notify us should any additional information be required. We look forward to your positive consideration of this application.

Yours faithfully



Dirko Loots
Warren Petterson Planning

APPENDIX 4

PROPOSAL TO LEASE MUNICIPAL LAND FOR A FREESTANDING TELECOMMUNICATION BASE STATION

Erf 4261, STELLENBOSCH



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Curt van Wyk

Town and Regional Planner (Site Acquisition)

+27(0)718 711 630



Email: curt@ilangatech.com

PROPOSED TELECOMMUNICATION BASE STATION

CONTENTS

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PROPOSED TELECOMMUNICATION BASE STATION

1 MOTIVATION

1.1 HISTORICAL BACKGROUND

Over recent years' cellular communication in South Africa evolved from merely a means of convenience to an essential business tool, means of communication and safety measure. Initial high tariff rates limited the accessibility of the products and its service. However, over time more reasonable consumer tariffs and packages have been introduced, making cellular communication more accessible to a much larger sector of the population.

Data usage on the networks are also becoming faster, more affordable and more accessible. User behavior patterns are continuously changing in reaction to cheap internet, new data intensive smart phones, data intensive applications and websites, and an increasing social media driven society. These factors resulted in the average consumer data usage doubling every year.

The current cellular infrastructure is not equipped to handle this demand which leads to a congested network with connection problems and dropped calls on the voice network and limited and unstable internet connections on the data network.

Cellular service provider is taking steps to improve their network by keeping abreast with the advances in communication technology and providing increased capacity in terms of coverage in the areas where there is an increased demand. We strive to make this technology available to the wider spectrum of the population.

Newer technology like LTE provide faster internet to more users which alleviate the pressure on the base station, but its range is very limited. A single old generation GSM voice based base stations could cover dozens of kilometers. The new LTE base stations have a maximum coverage range of 500m depending on the number of users.

The congestion of existing sites together with a decrease in its coverage range necessitates that the distance between base stations decrease resulting in the construction of new freestanding and rooftop cellular base stations.

It is calculated that cellular network operators in South Africa will build 2800 new base stations in the next 5 years.

The proposed site is located at a nominal point as identified by network planners. By utilizing sites located at the network's nominal point the number of future base stations are limited and an effective service network can be developed.

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PROPOSED TELECOMMUNICATION BASE STATION

2 INTRODUCTION

2.1 REGISTERED OWNER

The registered owner of the subject property is identified as STELLENBOSCH MUNICIPALITY. Consent will be needed from this institution in order to proceed with the submission of the land use (consent use) application and building plans for the proposed free standing telecommunication base station.

2.2 CLIENT

Invicta Towers and Ilanga Technologies (Pty) Ltd will submit a land use and building plan application to Stellenbosch Local Municipalities for the permission to erect a free standing telecommunication base station on the subject property, Erf 4261, Stellenbosch Municipality.

3 REGISTERED DETAIL

3.1 TITLE DEED & CONVEYANCER'S INVESTIGATION

Table 1 reflects the current registered detail of Erf 4261, Stellenbosch.

TABLE 1 – REGISTERED DETAILS			
REGISTERED DESCRIPTION	TITLE DEED No.	REGISTERED OWNER	EXTENT
Erf 4261, Stellenbosch	T44246/1974	STELLENBOSCH MUNICIPALITY	2,4320ha

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PROPOSED TELECOMMUNICATION BASE STATION

3.2 WINDEED OF SUBJECT PROPERTY

Please see extract of the subject property's windeed below.

Printed: 2020/11/20 08:53

WinDeed Property Report

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Township **STELLENBOSCH**, Erf **4261/0**

REGISTERED PROPERTY DETAILS

Property Type	ERF	Diagram Deed	T44246/974
Erf Number	4261	Registered Size	2,4320HA
Portion Number	0	Municipality	STELLENBOSCH MUN
Township	STELLENBOSCH	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Coordinates (Lat/Long)	-33.950125 / 18.866207
Deeds Office	CAPE TOWN		

OWNER DETAILS

Owner 1 of 1

Person Type	COMPANY	Title Deed	T44246/1974
Name	MUN STELLENBOSCH	Purchase Date	-
Registration Number	-	Purchase Price (R)	-
Share (%)	-	Registration Date	1974/12/31

MAPS




PROPERTY INFORMATION

Address	-
Primary Use	-
Estate	-

Room Configuration

Bedrooms	1	Reception Areas	-
Bathrooms	1	Study/Office	-
Kitchens	1		
Internal Finishes	-		

General Information

Door Number	-	Roof Type	-
Floor Size (m²)	-	Wall Type	-
Storeys	-	Construction Year	-

Other Features

Garages	-	Additional Dwellings	-
Garden	-		
Pool	-		

MUNICIPAL VALUATION

Municipal Valuation	-	Valuation Year	-
Zoning Usage	-		

PROPOSED TELECOMMUNICATION BASE STATION

4 SITE & CONTEXTUAL ANALYSIS

4.1 LOCATION



Figure 1. Locality

Erf 4261, Stellenbosch is located in the suburb of Welgelegen in Stellenbosch. (Please see figure 1. and attached locality plan)

PROPOSED TELECOMMUNICATION BASE STATION

4.2 LAND USE

The property is currently zoned Utility Service Zone and therefore a free standing telecommunication base station is permitted as a consent use according to the Stellenbosch Municipality Zoning Scheme By-Law 2019, applicable to Stellenbosch.

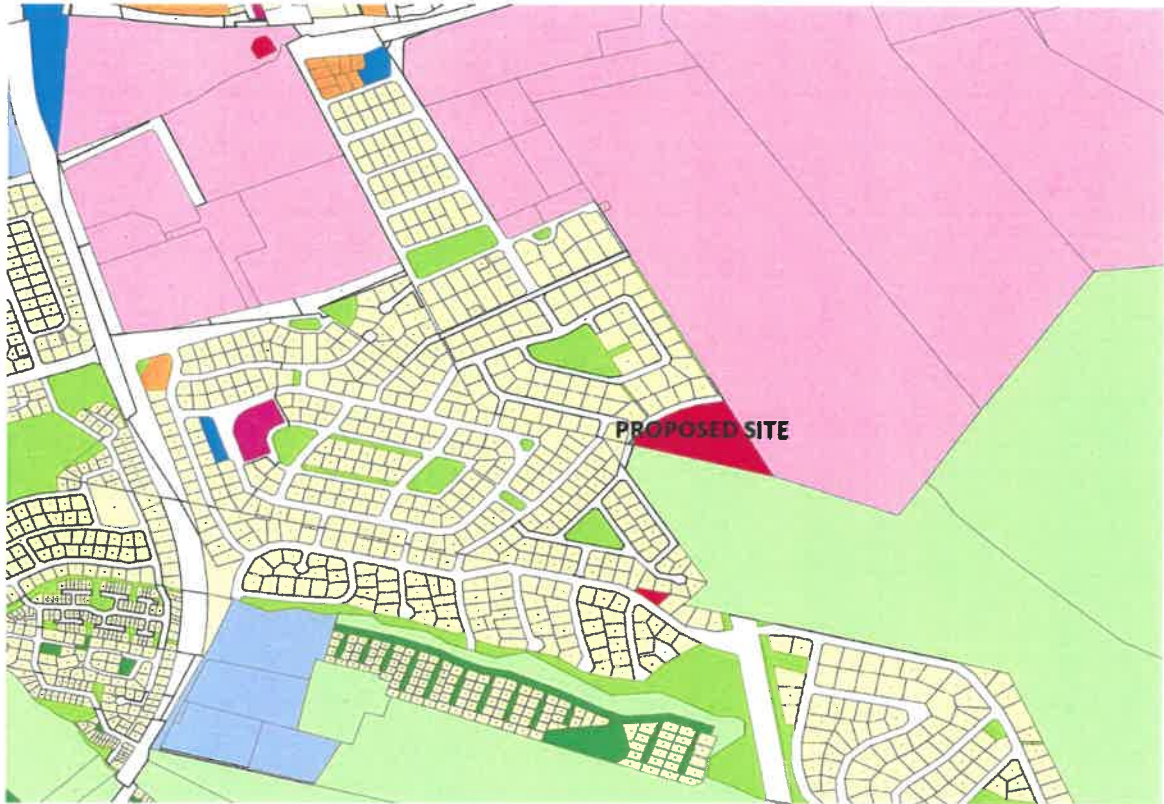


Figure 2 – Zoning map

5 DEVELOPMENT PROPOSAL

5.1 APPLICATION SPECIFICATIONS

The client, Invicta Towers, with consent of the property owner wishes to submit building plans in order to erect a 30m TREE TOWER on an 8m x 8m (64m²) area.

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PROPOSED TELECOMMUNICATION BASE STATION

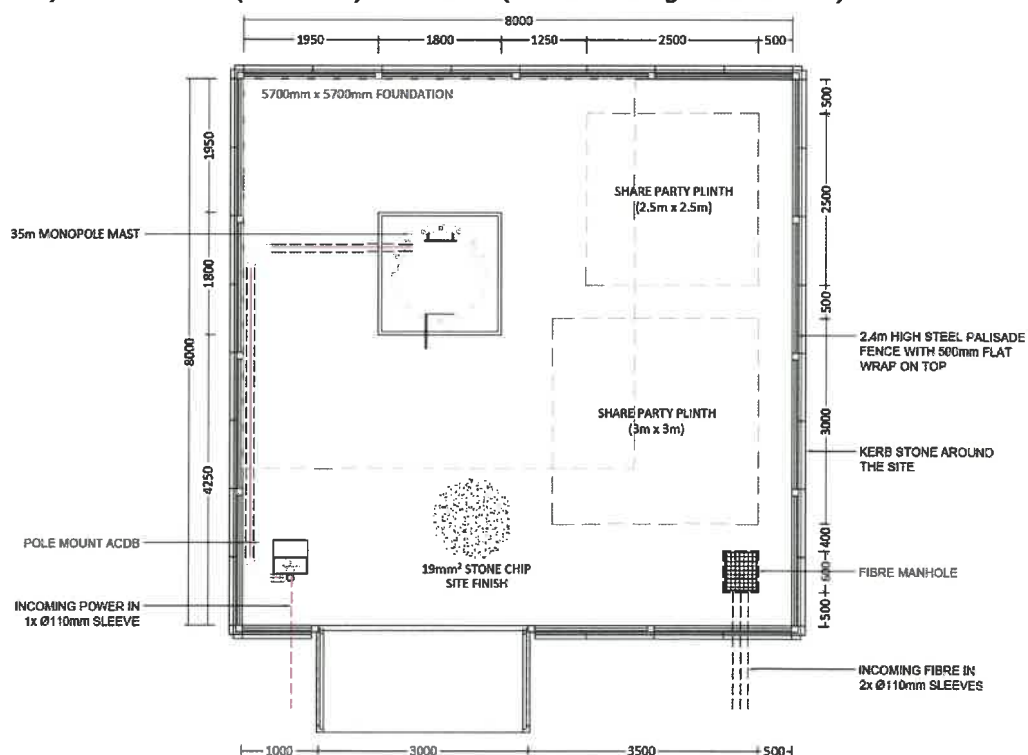


Figure 3 – Proposed site

5.2 DEVELOPMENT CONCEPT

The application comprises the following proposed development parameters:

The total ground coverage of the proposed free standing telecommunication base station (tree tower) will be 64m² (8m x 8m) in extent. (Please see figure 3. below)



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PROPOSED TELECOMMUNICATION BASE STATION

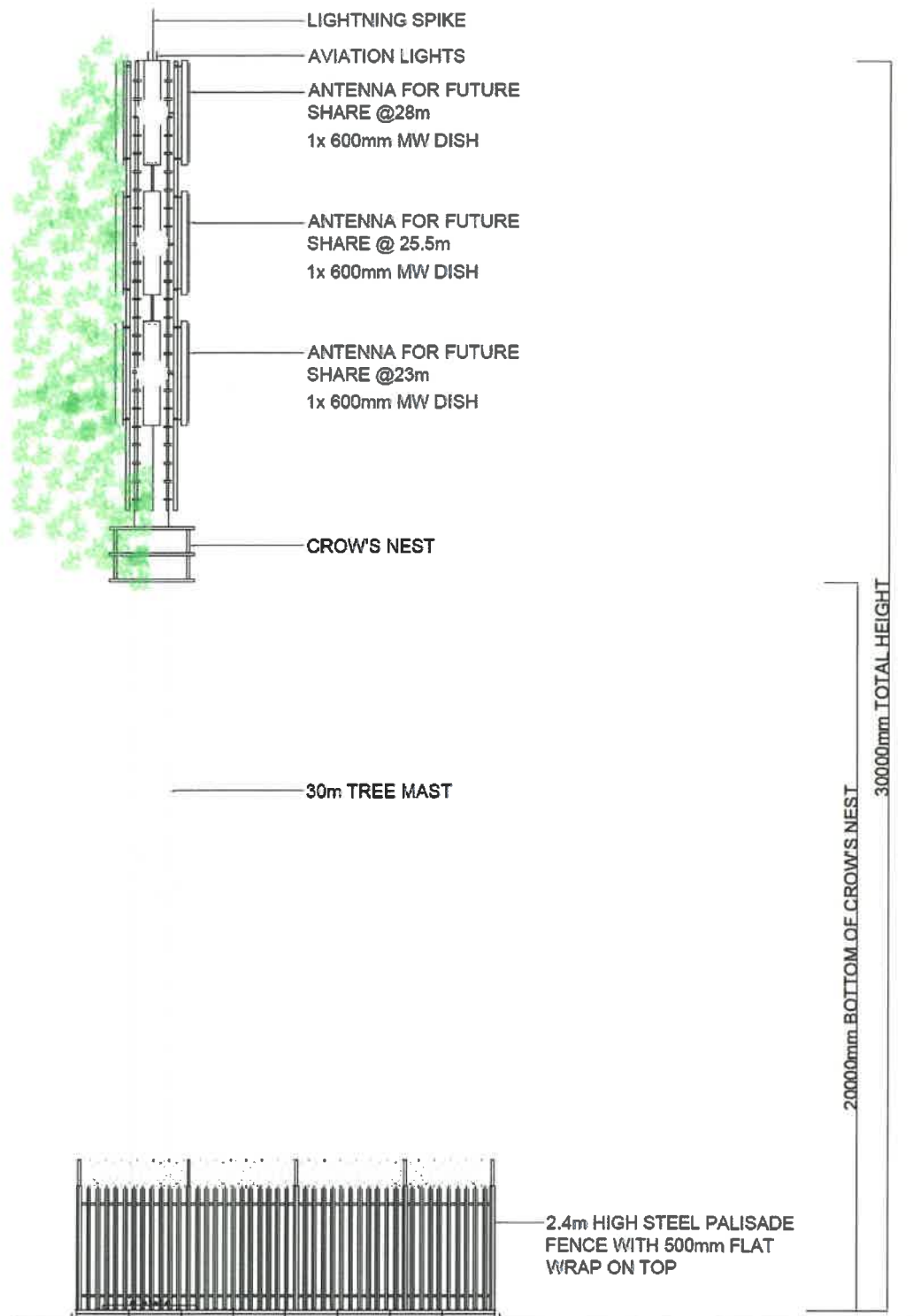


Figure 4. Proposed freestanding telecommunication mast

5.3 ACCESS

The subject property gains access from Nooitgedaght Street as depicted in figure 4-5 below.



Figure 5. Access to subject property



Figure 6. Picture of access to subject property

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PROPOSED TELECOMMUNICATION BASE STATION

5.4 NEED AND DESIRABILITY

INVICTA TOWERS is required to continuously upgrade and expand the current cellular network to keep up with advancing technology and escalating demand. This advancing cellular technology incorporates internet connectivity in addition to cellular telephony and more and more subscribers rely on their cellular networks for internet connections as modems or directly through their handsets. Internet connections use up far more of the network capacity than regular calls and consequently the current networks are rapidly becoming inadequate resulting in dropped calls.

The existing coverage for this area is not very good and subscribers experience network congestion and dropped calls and it has been determined by the radio planners that it is necessary to supplement the network in this area with an additional base station. The site that has been selected forms part of a capacity upgrade plan in the area. The serving cells in the area are reaching their capacity limit and from a planning and optimization perspective it is essential that a new site be built to prevent future congestion. The site will also give coverage to the surroundings as there are complaints received by the Network Quality Department in this regard.

Cellular phones have become an integral part of our way of life and fulfill an important role in most people's daily life. Cellular phones have become of utmost importance since communication is made much easier and more readily available. To provide effective cellular phone communications, cellular telephone masts must be provided by the various public operators and placed on specific locations predetermined by professional personnel.

The current demand and popularity of cellular telephones surpassed all expectations and subsequently the existing networks are insufficient to handle daily calls in certain areas. Presently cellular telephones are an everyday use article with a large percentage of subscribers throughout the country. Nowadays it is hard to find a person that does not use a cellular phone. The development of cellular telephone masts is of national interest because it promotes communications and places telephone communication within reach of the entire population.

Data usage through cellular phones, modems, and other mobile devices such as iPads, Smart Phones, etc., all require good 3G (and recently added 4G) coverage to operate effectively. The more evolved the devices become, the denser the telecommunication infrastructure will have to become as more and more signal / coverage will be required.

The permission application is submitted to the Stellenbosch Municipality to obtain the desired rights as required by our client and prescribed by ruling policies and legislation. The application is made to lease 64m² to permit the construction of a telecommunication mast on the application site.

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PROPOSED TELECOMMUNICATION BASE STATION

The position was calculated, considering the topography, surrounding land uses and available land, ecological sensitivity, and the placement of other Telecommunication masts in the area. The socio-economic profile of the consumers is also considered. Additionally, the technical specifications of the Radio-planner must be adhered to.

The current cellular telephone infrastructure in this part of and surrounding areas are reaching their maximum carrying capacities. Cellular telephone masts have a limited number of calls / data usages that it can handle at any given time. If the number of calls / data usage is exceeded, it results in calls being cut off and slow internet connections.

The need for additional infrastructure is also determined by the number of subscribers that contact service providers and complain about poor signals in their areas. Therefore, a need arises for more cellular telephone infrastructure in the Stellenbosch area.

As mentioned above, several complaints on poor signal have been received from residents in the area. A Telecommunication mast, being 30m high and requiring a site that will be approximately 64m² in total, was therefore proposed by INVICTA TOWERS in order to serve this area of Stellenbosch Municipality, the surrounding community and future developments with sufficient 2G and 3G (and 4G) signal/coverage.

Broadband penetration in general within South Africa is very low. This situation can be ascribed to the unavailability of electronic communication infrastructure which largely includes Telecommunication Masts. For this to be rectified, the Department of Telecommunications and Postal Services (DTPS) has placed enormous pressures on services providers in South Africa such as MTN(Pty) Ltd to provide more infrastructure. According the National Broadband Policy for South Africa, 2010, some disadvantages associated with the lack of adequate infrastructure include:

- Lower access to efficacy in Government Processes
- South Africa becomes a less competitive destination for investment
- An increase in the digital divide

Reduced access to employment opportunities and job creation.

The DTPS has stated in the National Broadband Policy for South Africa, 2010, that in order for their vision for universal access to Broadband to be achieved in 2020, the country has to see an increase in reliable, robust and secure infrastructure that is available, accessible and affordable to all. For the cost of communication to be reduced, there should be a rollout of infrastructure such as Telecommunication masts throughout South Africa.

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PROPOSED TELECOMMUNICATION BASE STATION

5.5 CONCLUSION

The proposed free standing telecommunication mast base station on Erf 4261, Stellenbosch, will provide an essential and sort after service to the surrounding community, businesses and commuters. The proposed Telecommunication site is in line with the Stellenbosch Municipality's Stellenbosch Municipality Zoning Scheme By-Law 2019, and will have a minimal impact on the surrounding property.

We trust that the application will meet your requirements and will receive your positive consideration.

**ILANGA TECHNOLOGIES (PTY) LTD**

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APPENDIX 5

Annalene De Beer**Subject:**

FW: Water services comments - Ilanga communication- Towers to be erected

From: Adriaan Kurtz <Adriaan.Kurtz@stellenbosch.gov.za>**Sent:** Friday, 05 February 2021 16:31**To:** Lize-Mari Visser <Lize-Mari.Visser@stellenbosch.gov.za>; Clayton Hendricks <Clayton.Hendricks@stellenbosch.gov.za>; Jeri-Lee Mowers <Jeri-Lee.Mowers@stellenbosch.gov.za>; Johan Fullard <Johan.Fullard@stellenbosch.gov.za>; Nombulelo Zwane <Nombulelo.Zwane@stellenbosch.gov.za>; Lorelle Adams <Lorelle.Adams@stellenbosch.gov.za>**Cc:** Deon Louw <Deon.Louw@stellenbosch.gov.za>; Joy Julius <Wayleave@stellenbosch.gov.za>; Justine Fielies <Justine.Fielies@stellenbosch.gov.za>; Megan Daniels <Megan.Daniels@stellenbosch.gov.za>; Tanya Carstens <Tanya.Carstens@stellenbosch.gov.za>; Tashlee Ismail <Tashlee.Ismail@stellenbosch.gov.za>**Subject:** Water services comments - Ilanga communication- Towers to be erected

Dear all

Please note from Water services our infrastructure. The sketch is indicative of the services and the position might differ from the indicated positions.

Please find the water services infrastructure on proposed site.

This site might be earmarked for future water infrastructure and any new structures must be discussed with water services.

**From:** Lize-Mari Visser [<mailto:Lize-Mari.Visser@stellenbosch.gov.za>]**Sent:** Friday, 05 February 2021 08:54**To:** Adriaan Kurtz <Adriaan.Kurtz@stellenbosch.gov.za>; Clayton Hendricks

7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
7.3.2	TABLING OF APPLICATION FOR COUNCIL SUPPORT/APPROVAL FOR THE DBSA GRANT FUNDING AGREEMENT RELATING TO COMPLETED WORK DONE ON THE CAPITAL EXPENDITURE FRAMEWORK (CEF)

Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

15 June 2021

1. SUBJECT: TABLING OF APPLICATION FOR COUNCIL SUPPORT/APPROVAL FOR THE DBSA GRANT FUNDING AGREEMENT RELATING TO COMPLETED WORK DONE ON THE CAPITAL EXPENDITURE FRAMEWORK (CEF)

2. PURPOSE

To obtain Council's approval for the Development Bank of South Africa (DBSA) grant funding agreement in respect of work done on the Capital Expenditure Framework.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In accordance to section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a Capital Expenditure Framework (CEF) for the municipality's development programmes. This means that the CEF is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the CEF states the financial vision of the municipality.

The Municipality has entered into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA has availed R2 000 000 to the benefit of the Municipality for the development of its Capital Expenditure Framework (CEF). As per the 25th meeting of the Council of Stellenbosch municipality, the Municipal Manager was duly authorised and mandated, to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Agreement. This agreement was concluded during the 2019/20 financial year and has been attached as **APPENDIX1**.

5. RECOMMENDATIONS

- (a) that Council hereby confirms support for the Project, accepts the DBSA's grant funding and infrastructure planning support on the terms set out in the Agreement,
- (b) that the **Municipal Manager** be and is hereby authorised and mandated to sign the Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Agreement.
- (c) that the Municipal Manager is further authorised to provide the DBSA with the Designated and Authorised Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated in the Agreement; and

- (d) that The Municipality provides the relevant FICA documentation required by the DBSA in terms of regulations 3, 4, 5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2001).

6. DISCUSSION / CONTENTS

6.1 Discussion

In accordance to section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a Capital Expenditure Framework (CEF) for the municipality's development programmes. This means that the CEF is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the CEF states the financial vision of the municipality.

The Municipality has entered into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA has availed R2 000 000 to the benefit of the Municipality for the development of its Capital Expenditure Framework (CEF). As per the 25th meeting of the Council of Stellenbosch municipality, the Municipal Manager was duly authorised and mandated, to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Agreement. This agreement was concluded during the 2019/20 financial year and has been attached as **APPENDIX 1**.

Pursuant to the Agreement, the Municipality applied the grant funding solely for the project alluded to above. The funding provided was utilised for the updating of the CEF which runs parallel to the Demand Quantification and Modelling, the compilation of a Long Term Financial Plan/Tool and the compilation of an Asset Management Framework. With the aid of the DBSA funding, the Municipality has developed and submitted its Capital Expenditure Framework (CEF) to the Department of Cooperative Governance and Traditional Affairs (COGTA) within agreed timelines.

6.2 Financial Implications

The Development Bank of South Africa allocated grant funding to the amount of R2 million.

6.3 Legal Implications

The item is compliant with the relevant legislation.

6.4 Staff Implications:

None

6.5 Previous / Relevant Council Resolutions:

None

6.6 Risk Implications

None

6.7 Comments from Senior Management:

The item was not circulated for comment except to Municipal Manager

6.7.1 Municipal Manager

Supports the recommendations.

Appendices:

- Appendix 1: Development Bank of South Africa Grant Funding Agreement

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Kevin Carolus
<i>POSITION</i>	Chief Financial Officer
<i>DIRECTORATE</i>	Financial Services
<i>CONTACT NUMBERS</i>	021 – 808 8528
<i>E-MAIL ADDRESS</i>	Kevin.carolus@ Stellenbosch.gov.za
<i>REPORT DATE</i>	10 June 2021

APPENDIX 1

GRANT AGREEMENT

between

DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED



and

STELLENBOSCH LOCAL MUNICIPALITY



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1. PARTIES

1.1. The Parties to this Agreement are:

- 1.1.1. **The Development Bank of Southern Africa Limited**, a development finance institution reconstituted and incorporated in terms of section 2 of the Development Bank of Southern Africa Act, 1997 (Act No. 13 of 1997); (referred to as the “**DBSA**”); and
- 1.1.2. **Stellenbosch Local Municipality**, a municipality established in terms of section 12 of the Local Government Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time; (referred to as “**Recipient**” in this document).

2. DEFINITIONS

- 2.1. The headings to the clauses, schedules and annexures of this Agreement are for reference purposes only and shall in no way govern or affect the interpretation of nor modify nor amplify the terms of this Agreement nor any clause, schedule or annexure hereof.
- 2.2. Unless the context dictates otherwise, the words and expressions set forth below shall bear the following meanings and cognate expressions shall bear corresponding meanings:
 - 2.2.1. “**Agreement**” means this Grant agreement including any schedules or annexures hereto;
 - 2.2.2. “**Applicable Laws**” means all applicable laws, ordinances, regulations, judgments and orders of any competent court or executive authority having the force of law in the Republic of South Africa and/or other applicable and competent jurisdiction;
 - 2.2.3. “**Application**” means the letter of request for support which the Recipient submitted to the DBSA;
 - 2.2.4. “**Application Date**” means the date upon which the Application was received by the DBSA from the Recipient;
 - 2.2.5. “**Approval Date**” means the date upon which the Application was approved by the DBSA being 18 September 2019;

- 2.2.6. **“Availability Period”** means a period calculated from the date of the agreement between the DBSA and the Recipient and terminating on the 31 March 2023
- 2.2.7. **“Bank Account”** means the Professional Services Provider’s bank account in which the Grant Amount shall be deposited and from which all transactions related to the Purpose shall be operated;
- 2.2.8. **“Business Day”** means any day other than a Saturday, Sunday or a day which is a statutory public holiday in the Republic of South Africa;
- 2.2.9. **“Coercive Practice”** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a Party;
- 2.2.10. **“Collusive Practice”** means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- 2.2.11. **“Commercialisation”** means the use of any Intellectual Property, with or without additions or modifications, for purposes of generating profit, whether through manufacturing, sales, rendering of services or by any other lawful means without limitation;
- 2.2.12. **“Confidential Information”** means all information confidential to a Party, to the extent that it is not freely and publicly available, commercial, financial, technical, scientific and research information; trade secrets, passwords, or other secret codes, information disclosed with the permission of third parties in which the third parties have confidentiality rights, information legally protected from disclosure, any information the unauthorised disclosure of which could be expected to cause harm or risk to the Party having disclosed the confidential information and any other information designated by such disclosing Party as confidential or which is manifestly confidential;
- 2.2.13. **“Constitutional Documents”** means in respect of any person at any time, the then current and up-to-date constitutional documents of such person at such time (including, without limitation, such person’s memorandum of incorporation, certificate of incorporation, certificate to commence business, certificate of change of name (if applicable), special resolutions or any other document/s constituting or evidencing the incorporation of such person) as may be required by the DBSA;

- 2.2.14. **“Corrupt Practice”** means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another;
- 2.2.15. **“Disbursement”** means any amount drawn down by the Recipient and disbursed by the DBSA to the Recipient under and in terms of the agreement between the Recipient and the Professional Services Provider, and **“Disbursed”** shall be construed accordingly;
- 2.2.16. **“Effective Date”** means the first Business Day after the DBSA notifies the Recipient that all of the conditions precedent set out in clause 6.1.2 have been fulfilled or waived, as the case may be;
- 2.2.17. **“Event of Default”** means any one or more events or circumstances as envisaged in clause 15;
- 2.2.18. **“FICA”** means the Financial Intelligence Centre Act, 2001 and all notices and regulations passed thereunder;
- 2.2.19. **“Financial Year”** means each year commencing on **01 April** of each year and ending on **31 March** of the following year;
- 2.2.20. **“GAAP”** means the Generally Accepted Accounting Principles as approved from time to time by the International Accounting Standards Committee;
- 2.2.21. **“Grant”** means the grant funding (Development Subsidy) made available by the DBSA in support of the Recipient under this Agreement in an aggregate sum not exceeding the Grant Amount;
- 2.2.22. **“Grant Amounts”** means an amount of R2 000 000.00 (two million rand) inclusive of value added tax and all applicable taxes thereon;
- 2.2.23. **“IFRS”** means the International Financial Reporting Standards as approved from time to time by the International Accounting Standards Board;
- 2.2.24. **“Insolvency Event”** means, in relation to any person, any of the following events or circumstances:
- 2.2.24.1. an order or declaration is made or a meeting of the directors or shareholders of such person is convened to consider the passing of, or a resolution is passed for the administration, custodianship, curatorship, bankruptcy, liquidation, winding-up or dissolution

(whether provisional or final) of it or its estate or placing it in business rescue;

- 2.2.24.2. it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or proposes or seeks to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared or takes effect by operation of law in respect of or affecting all or a material part of its indebtedness;
- 2.2.24.3. is “financially distressed” as such term is defined in the Companies Act, 2008 or is reasonably likely to become “financially distressed” within the immediately ensuing 12 (twelve) month period;
- 2.2.24.4. it takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness (or any part thereof which it would otherwise be unable to pay when due) or proposes to take any such step;
- 2.2.24.5. any receiver, administrative receiver, administrator, compulsory manager, curator, trustee in bankruptcy, liquidator, practitioner, business rescue practitioner or the like is appointed in respect of it or any material part of its assets or it requests any such appointment;
- 2.2.24.6. any act which, if such act was committed by an individual, would be an act of insolvency within the meaning of section 8 of the Insolvency Act, 1936 or any equivalent legislation in any jurisdiction to which such person is subject;
- 2.2.24.7. it takes or any affected person takes any steps to invoke business rescue proceedings; or
- 2.2.24.8. enforcement of any security interest over any assets;
- 2.2.25. **“Intellectual Property”** means any intellectual property, including but not limited to all technical, commercial, financial and marketing information and know-how, including all concepts, specifications, data, diagrams, chemical structures, manufacturing and production techniques and designs,

specifications and formulae, products, systems, methods, processes, formulae, memoranda, reports, manuals, and computer modelling; all inventions, designs, trade-marks and other works, whether registrable or the subject matter of an application for such registration or of copyright or not; as well as all statutory intellectual property, comprising all patents and trade-marks, whether registered or being or yet to be applied for, and all copyright in any works, including but not limited to, literary works and computer programmes; relating to any research, development and/or Commercialisation;

2.2.26. **“Material Adverse Effect”** means any event or combination of events and/or circumstances which, in the opinion of the DBSA, has or might reasonably be expected to have a material adverse effect on:

2.2.26.1. the Projects, business, operations, property, condition (financial or otherwise) or prospects of the Recipient; and/or

2.2.26.2. the ability of the Recipient to perform its obligations in terms of this Agreement, and/or

2.2.26.3. the ability of the Professional Services Provider to perform its obligations as more fully set out in the Project Implementation Plan; and/or

2.2.26.4. the ability of the Recipient to exercise and enforce any right granted or intended or purported to be granted to it under this Agreement; and/or

2.2.26.5. the validity, enforceability and/or legality of this Agreement or any other Project document;

2.2.27. **“Minimum Information”** means the minimum information to be provided with the Disbursement Request as set out in Schedule 2 all in form and substance satisfactory to the DBSA;

2.2.28. **“Monthly Progress Report”** means a report in form and substance to the satisfaction of the DBSA, to be submitted monthly by the Professional Services Provider signed off by the Recipient or at such other times as may be requested by the DBSA, which report shall contain:

2.2.28.1. the physical and financial progress of the planning support being provided by the DBSA;

- 2.2.28.2. such other information as may be required by the DBSA in respect of the planning support being provided to the Recipient by the DBSA;
- 2.2.29. **"Parties"** means the DBSA and the Recipient;
- 2.2.30. **"Permitted Recipients"** means employees, directors, officers, professional advisors, financiers and consultants of the Recipient;
- 2.2.31. **"Potential Event of Default"** means any event or circumstance which, with the giving of notice, lapse of time or expiry of a grace period or making of any determination under this Agreement or fulfilment of any other condition, would be or constitute an Event of Default;
- 2.2.32. **"Prime Overdraft Rate"** means the publicly quoted basic rate of interest from time to time levied by the corporate banking division of Standard Bank Limited, being the bankers of the DBSA, on the overdrawn accounts of their most favoured corporate customers in the private sector, *prima facie* proof of which shall be a certificate by any manager of said bank, whose authority and/or appointment it shall not be necessary to prove;
- 2.2.33. **"Professional Services Provider"** means an entity appointed by the Recipient to assist with the planning support services required for the Project and to be paid from the Grant.
- 2.2.34. **"Project"** means the updating of the Capital Expenditure Framework (CEF) of the Recipient to be implemented as described more fully in the Project Implementation Plan (Schedule 4);
- 2.2.35. **"Project Budget"** means the budget which sets out all expenses related to the Project, submitted to and approved in writing by the DBSA, as set out in the Project Implementation Plan;
- 2.2.36. **"Project Completion Date"** means the date upon which the DBSA approves in writing the Project Completion Report;
- 2.2.37. **"Project Completion Report"** means the report to be prepared by the Professional Services Provider in consultation with the Recipient following the Project Completion Date and approved in writing by the DBSA for purposes of Project closure;

- 2.2.38. **“Project Implementation Plan”** means the implementation plan prepared by the Professional Services Provider on behalf of the Recipient and approved in writing by the DBSA setting out the Project deliverables against which to measure the progress of the Project and the Project Budget and to ensure compliance with the obligations of the Professional Services Provider as set out therein accompanied by a Disbursement Schedule, including any amendments thereof as may be agreed in writing between the Parties as set out in Schedule 4;
- 2.2.39. **“Project Progress Reports”** means the monthly progress reports to be submitted by the Professional Services Provider after sign off by the Recipient to the DBSA containing, *inter alia*:
- 2.2.39.1. the Project's progress (physical and financial) for the month and cumulative for the Financial Year, against the Project Implementation Plan;
 - 2.2.39.2. a presentation of quantitative and qualitative data collected from the monitoring of outcome indicators;
 - 2.2.39.3. any factors that have or could reasonably be expected to have a Material Adverse Effect;
 - 2.2.39.4. if applicable, any proposed changes to the Project Implementation Plan;
 - 2.2.39.5. a description of the planned progress for the next month in accordance with the Project Implementation Plan; and
 - 2.2.39.6. any such other information as may be required by the DBSA;
- 2.2.40. **“Purpose”** means utilising the Grant Amount solely for payment of the Project expenses incurred by the Professional Service Provider as set out in the Project Budget;
- 2.2.41. **“Quarter”** means a period of 3 (three) consecutive calendar months during the Financial Year, ending on the last day of June, September, December or March, and **“Quarterly”** shall be construed accordingly;
- 2.2.42. **“Recipient”** means Stellenbosch Local Municipality as outlined in 1.1.2 above,

- 2.2.43. **"Signature Date"** means the date upon which this Agreement is signed by the Party signing last, provided that all Parties sign this Agreement;
- 2.2.44. **"Taxes"** means all taxes (including value added tax), charges, imposts, levies, deductions, withholdings or fees of any kind whatsoever, or any amount or payment on account of or as security for any of the foregoing by whomsoever and on whomsoever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **"Tax"** and **"Taxation"** shall be construed accordingly;
- 2.2.45. **"Terminal Disbursement Date"** means the last Disbursement date referred to in the Disbursement Schedule; and
- 2.2.46. **"Termination Date"** means the date on which the Project has reached Project Completion Date and the Recipient has no further actual or contingent obligation in respect of the Projects.

3. INTERPRETATION OF AGREEMENT

- 3.1. Any reference in this Agreement to:
- 3.1.1. an amendment includes a supplement, novation or re-enactment and amended is to be construed accordingly;
- 3.1.2. Law shall be construed as any law (including statutory, common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order, other legislative measure, directive, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, is generally complied with by the persons to whom it is addressed or applied) of any government, supranational, local government, statutory or regulatory or self-regulatory or similar body or authority or court and the common law, as amended, replaced, re-enacted, restated or reinterpreted from time to time;
- 3.1.3. a **month** means a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day but one in the next calendar month, except that if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one;

- 3.1.4. a **schedule** shall, subject to any contrary indication, be construed as reference to an appendix to this Agreement.
- 3.2. In this Agreement, unless the context otherwise indicates:
- 3.2.1. all words and expressions referring to any one gender shall be capable of being construed as a reference to the other genders;
- 3.2.2. the words signifying the singular shall include the plural and vice versa;
- 3.2.3. a reference to a natural person shall be capable of being construed as a reference to a juristic person and vice versa;
- 3.2.4. where figures are referred to in numerals and in words in this Agreement, if there is any conflict between the two, the words shall prevail;
- 3.2.5. words and phrases defined in this Agreement shall bear the meaning assigned to them throughout this Agreement;
- 3.2.6. words and phrases used in this Agreement, which are defined or used in any statute, which applies to the subject matter, professional person, goods, or services shall be construed in accordance with the applicable statute or regulations; and
- 3.2.7. headings of clauses and schedules are for convenience only and shall not govern or affect the interpretation, modify or amplify the terms within this Agreement, nor any clause or appendix thereof.
- 3.3. In the event of a conflict between the provisions of this Agreement and those of its schedules, the provisions of this Agreement will supersede those of its schedules.
- 3.4. The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 3.5. In the event that a day for performance of any obligation in terms of this Agreement falls on a day that is not a Business Day, the day for performance of the obligation shall be the next Business Day.

4. INTRODUCTION

- 4.1. The Recipient has applied to the DBSA for updating of the Capital Expenditure Framework by submitting the Application. The Application was approved by the DBSA on the Approval Date. The Recipient intends that the Grant be used for the Purpose, all on the terms and conditions contained in this Agreement.
- 4.2. The Recipient agrees to procure the Professional Service provider to assist in the development the Project. The Grant will be used to pay the Professional Service Providers Fees and the Recipient shall pay the Professional Services Provider.
- 4.3. This Agreement records the terms and conditions upon which the Grant Amount is provided to the Recipient by the DBSA.

5. GRANT

- 5.1. Subject to the terms of this Agreement, the DBSA makes available to the Recipient, the Grant equal to the Grant Amount.
- 5.2. The Recipient is to ensure that the Grant is used solely for the Purpose.

6. CONDITIONS PRECEDENT AND CONDITIONS OF DISBURSEMENTS

6.1. Conditions Precedent

- 6.1.1. All rights and obligations of the Parties under this Agreement shall be subject to the DBSA notifying the Recipient that it has received the documents and evidence set out in Schedule 1 ("**Conditions Precedent**"), in form and substance satisfactory to the DBSA.
- 6.1.2. The DBSA may in its sole discretion, on written notice to the Recipient waive any of the Conditions Precedent (where capable of being waived). The DBSA shall promptly notify the Recipient upon being satisfied that all of the Conditions Precedent have been fulfilled or waived, as the case may be.

6.2. Disbursements

- 6.2.1. The DBSA shall manage the Disbursement process. However, the obligation of the DBSA to make any Disbursement in terms of this Agreement is subject to the fulfilment of the following conditions:
- 6.2.1.1. no Event of Default or Potential Event of Default having occurred and/or is continuing; and

- 6.2.1.2. the representations and warranties made in terms of this Agreement by the Recipient are true and correct in all respects; and
- 6.2.1.3. the Disbursement (or any part thereof) is not a reimbursement of, or to be used for the benefit of any Person who is prohibited from doing business with the Government of the Republic of South Africa; and

6.3. Disbursement Procedure

- 6.3.1. Subject to the terms and conditions of this Agreement, the DBSA shall upon the completion of specific project milestones by the Professional Service Provider, make progressive disbursements to the Recipient in the total amount in accordance with Schedule 3 (Source and Application of Funds).
 - 6.3.2. The DBSA shall make the Disbursements to the Recipient directly (and to no third party) in South African Rand.
 - 6.3.3. The Disbursement Date shall be a Business Day within the Availability Period and within 30 (thirty) Business Days of a DBSA approved Disbursement Request.
 - 6.3.4. Notwithstanding anything to the contrary herein contained, the DBSA may validly act on all information, instructions and requests contained in or attached to a Disbursement Request without liability or responsibility to check the accuracy of such information.
- 6.4. The Recipient hereby acknowledges and agrees that all Disbursements shall constitute valid Disbursements made by the DBSA to the Recipient, the benefit of which shall have been received by the Recipient.
- 6.5. If any monies are Disbursed by the DBSA in terms of this Agreement in the mistaken belief that all of the Conditions Precedent or Disbursement conditions, as the case may be, have been fulfilled or waived in accordance with this Agreement and it is subsequently discovered that not all the Conditions Precedent or the Disbursement Conditions have been fulfilled or waived, then the DBSA, acting reasonably, reserves the right to withhold the next Disbursement until such time as the relevant Condition Precedent or Disbursement Condition has been fulfilled or waived.

6.6. Limitation

6.6.1. Notwithstanding anything provided in this Agreement, the DBSA shall only be obliged to make a Disbursement on the project:

6.6.1.1. if the DBSA is satisfied with the outcome of its consideration of a Disbursement Request submitted by the Recipient .

6.6.2. The Disbursement Request shall be considered by the DBSA:

6.6.2.1. alongside the Project Progress Report;

6.6.2.2. in the context of the Project Budget and expenditure to date;

6.6.2.3. against the Project cash-flows to date and Disbursement Schedule.

7. DURATION

7.1. The Parties agree that subject to:

7.1.1. the fulfilment or waiver, as the case may be, of the Conditions Precedent;

7.1.2. there being no Event of Default or Potential Event of Default,

7.1.3. this Agreement shall commence on the Effective Date and shall continue until the Termination Date.

8. ROLES AND RESPONSIBILITIES OF THE DBSA

8.1. The role and responsibility of the DBSA shall include but not be limited to the following activities in relation to the Project:

8.1.1. facilitating the Disbursement of the Grant in terms of the provisions of this Agreement;

8.1.2. periodically reviewing the Project and outlining any discrepancies in respect of the Project Implementation Plan, which the Recipient is obliged to rectify;

8.1.3. reviewing the Project Progress Reports and Disbursement Requests to ensure that the Project is progressing in accordance with this Agreement;

8.1.4. if the DBSA, in its sole discretion deems necessary, undertaking periodic on-site visits to the Project to verify the progress of the Project;

- 8.1.5. ensuring and maintaining on-going communication with the Recipient throughout the Agreement; and
- 8.1.6. providing oversight to the Project in conjunction with the Recipient to ensure delivery in line with the approved Project Implementation Plan.
- 8.2. The Parties hereby agree that the DBSA reserves the right to undertake the necessary measures to ensure delivery in line with the approved Project Implementation Plan.

9. ROLES AND RESPONSIBILITIES OF THE RECIPIENT

- 9.1. The role and responsibility of the Recipient shall include but not be limited to the following activities in relation to the Project:
 - 9.1.1. liaison and coordination with all provincial and national stakeholders in terms of facilitating stakeholder participation in the Project, as well as information, guidelines, approvals, etc. that is required to successfully complete the Project.
 - 9.1.2. provision to the Professional Services Provider of available information, records, databases, etc. in respect of the municipality and its water services infrastructure, especially where such information, records, databases, etc. are required for the successful implementation of the Project.
 - 9.1.3. take full ownership of the outputs of the planning support service provided by the DBSA.
 - 9.1.4. in the implementation phase of the identified Projects, and to the extent permitted by law, give the DBSA the right of first refusal to fund the projects identified in the outputs of the infrastructure planning support in accordance with the Recipient's Supply Chain Management processes and any other applicable procurement laws.
 - 9.1.5. engage, collaborate, and work with DBSA, other funding sources, relevant sector Departments, and National Treasury to unlock fiscal allocations e.g. MIG, INEP, etc. by making use of the assistance of the DBSA's Project Preparation Unit ("DBSA-PPU") to prepare relevant priority projects (that will be identified in the outputs of the infrastructure planning support) up to MIG registration stage.
 - 9.1.6. mobilise funding and other relevant resources from the DBSA, other funding sources, and /or from the fiscal allocations, to take the implementation-ready priority projects identified in the infrastructure plan, and the priority projects

subsequently prepared by the DBSA-PPU, to implementation (construction) stage.

- 9.1.7. include the prioritised projects identified by the outputs of the infrastructure planning support in the municipality's Integrated Development Plan (IDP) and make the necessary future budgetary allocations towards the implementation of the Projects.
- 9.1.8. use DBSA services, procurement systems and processes where required to procure the technical resources required to execute the Project.
- 9.1.9. under no circumstances, terminate, abandon, interrupt, materially change or suspend the implementation of the Project without the prior written consent of the DBSA;
- 9.1.10. facilitate the completion of the Project by the Professional Services Provider by no later than the Project Completion Date, unless otherwise agreed in terms of clause 10;
- 9.1.11. ensure that risk management procedures are in place to deal with the identified risks to the Project;
- 9.1.12. promptly notify the DBSA upon the occurrence of an Event of Default or Potential Event of Default and the steps that the Recipient is taking to remedy it;
- 9.1.13. as soon it comes to the Recipient's attention, promptly inform the DBSA of any Material Adverse Effect and/or event or circumstance that interferes or threatens to interfere with the accomplishment of the purposes of the Project or the Grant or the performance by the Recipient of its obligations under this Agreement;
- 9.1.14. comply with all Applicable Laws including all environmental laws and ensure that the Professional Services Provider engaged by the DBSA to perform services in connection with the Project complies with all Applicable Laws;
- 9.1.15. obtain and maintain in force (and where appropriate, renew in a timely manner) all authorisations (governmental, regulatory or otherwise) that are necessary for the implementation of the Project ("**Authorisations**");

- 9.1.16. insure and keep insured, with financially sound and reputable insurers, all its assets and business against all insurable losses to include the insurances required by Applicable Laws;
- 9.1.17. ensure that no changes in the nature or scope of the Project are made without the prior written consent of the DBSA and that there are no changes to the Project which would be inconsistent with the terms of this Agreement;
- 9.1.18. permit the DBSA or any other duly authorised representatives of the DBSA (whose appointment as such it shall not be necessary to prove), with reasonable notice and during normal business hours:
 - 9.1.18.1. to visit the premises of the Recipient and the place where the Project is being conducted and all other premises of the Recipient; and
- 9.1.19. ensure that a Project Steering Committee (PSC) is constituted by the Recipient and meets at regular intervals suitable to the duration of the Project. The PSC is to provide strategic oversight over the implementation of the project and is to be chaired by a senior official designated by the Recipient's Accounting Officer.;
- 9.1.20. the Recipient will allow the DBSA to review and approve the text of any proposed publicity concerning this Grant prior to its release;
- 9.2. Following the Project Completion Date, the Recipient shall sign off its acceptance of the outputs of the infrastructure planning support provided through the Professional Services Provider, and notify its Council of the completion of the Project.
- 9.3. To the extent that it is possible to do so, the Recipient hereby undertakes that any information or document submitted by it in terms of this Agreement shall be true and correct and hereby waives any right it may have over the professional work contained and within such document or information following therefrom.
- 9.4. Notwithstanding anything contained in this Agreement, the DBSA reserves the discretion to verify and confirm any information or document submitted by the Recipient in the performance or execution of its duties and obligations in terms of this Agreement.

10. EXTENSION OF DURATION OF THE PROJECT

- 10.1. If at any time the Recipient anticipates that the Professional Services Provider will be unable to complete the Project by the Project Completion Date, the Recipient shall without delay notify the DBSA in writing of:
 - 10.1.1. the projected period for which the Project is anticipated to be delayed;
 - 10.1.2. the reason/s for the anticipated delay; and
 - 10.1.3. the steps, if any, which the Recipient has taken and/or intends to take to avoid or mitigate the anticipated delay.
- 10.2. Upon receipt of notification from the Recipient in terms of clause 10.1, the DBSA shall be entitled, but not obliged, without prejudice to its other rights in terms of this Agreement, to:
 - 10.2.1. extend the period of the Project from that recorded in the Project Implementation Plan to such longer period as the DBSA may in its sole discretion determine; and/or
- 10.3. If the contents of the documentation referred to in clause 10.1 are not true and correct or are not free from any misrepresentations, whether intentional or negligent, the DBSA shall be entitled to exercise its rights as set out in clause 15 without prejudice to any other rights it may have.
- 10.4. Any expenses incurred in respect of preparing the Application will not be considered as part of the Project Budget.
- 10.5. The decision of the DBSA regarding the validity and/or amount of expenses is final.
- 10.6. The DBSA shall be entitled at any time and for any reason whatsoever to perform an audit on any expenses incurred in relation to the Project. The Recipient shall provide the DBSA with all information and assistance as expected to conduct such audit and consents to any adjustments to the Project Budget which may arising from such an audit.

11. MONITORING

- 11.1. The Parties will be responsible for the monitoring of the implementation of the Project. Two levels of monitoring of the Project will be carried out:
 - 11.1.1. the Parties will monitor the output of the activities carried out by the Professional Services Provider. This will be accomplished by the monitoring of

reports submitted by the Professional Services Provider in accordance with the provisions and time-lines set out in the Project Implementation Plan, together with any additional information which may be required by the DBSA in its sole discretion from time to time for monitoring purposes; and

- 11.1.2. the Parties will monitor the measurable Project outcomes by monitoring progress made and the deliverables achieved by the Professional Services Provider.

12. CONFIDENTIALITY

- 12.1. The Parties undertake to treat all Confidential Information as strictly confidential between themselves and not to divulge any Confidential Information and/or or proprietary information in respect of each other to other parties unless otherwise required by law or agreed to in writing or required by the DBSA in order to fulfil the conditions of this agreement. The following may however be made public by the DBSA:

- 12.1.1. after this Agreement has been signed, the Application Date, name of the Recipient, Grant Amount and the Project Completion Date; and

- 12.1.2. after the final deliverables have been completed or the Project has been cancelled or terminated, the name of the Project, actual Grant Amount paid, Project Completion Date and a concise generic description of the Project.

- 12.2. The Recipient may disclose the Confidential Information of the DBSA to its Permitted Recipients, provided that:

- 12.2.1. the Recipient will take such steps as are necessary to ensure that the Recipient's employees to which Confidential Information is disclosed adhere to this Agreement;

- 12.2.2. any disclosure by the Recipient's employees of the DBSA's Confidential Information contrary to this Agreement will be an unauthorised disclosure by the Recipient.

- 12.3. The Recipient will not use the Confidential Information for any purpose other than:

- 12.3.1. that for which it is disclosed in connection with this Agreement;

- 12.3.2. as otherwise permitted by the DBSA in writing; or

- 12.3.3. in accordance with this Agreement.

- 12.4. The DBSA does not warrant that the Confidential Information it discloses is accurate or complete and the DBSA will not be liable for any losses, damages, costs or penalties suffered by, or claims made against, the Recipient as a result of any inaccuracies in, or incompleteness of, the Confidential Information disclosed.
- 12.5. The Recipient hereby indemnifies the DBSA against any loss, cost, damages, expense or liability arising from, or in connection with, disclosure of Confidential Information contrary to this Agreement by the Recipient, or Permitted Recipients or third parties to which the Recipient has made disclosure.
- 12.6. Upon the request of the DBSA, the Recipient will, within 5 (five) Business Days, return, destroy or expunge from any storage device all Confidential Information other than documents prepared by the Recipient; provided that if required by Law or for purposes of this Agreement, the Recipient may retain 1 (one) copy of the Confidential Information for the period so required.

13. UNDERTAKINGS BY THE RECIPIENT

The Recipient hereby undertakes:

- 13.1. to immediately inform the DBSA in writing of the material details of any financing the Recipient acquires from other private sector or governmental sources, banking and/or financial institutions in respect of the Project;
- 13.2. to respond, to the best of its ability, to any questionnaires for the purpose of evaluating its satisfaction with the support provided by the DBSA.

14. REPRESENTATIONS AND WARRANTIES

- 14.1. The Recipient represents and warrants that:
 - 14.1.1. it has the power to enter into and perform, and has taken all the necessary action to authorise its entry into and performance under this Agreement;
 - 14.1.2. the entry into and performance by it of the terms and conditions as contemplated by this Agreement will not conflict with:
 - 14.1.2.1. any Applicable Law;
 - 14.1.2.2. its Constitutional Documents; and/or
 - 14.1.2.3. any agreement or instrument binding upon it or any of its assets;

- 14.1.3. it has disclosed to the DBSA all information at its disposal pertaining to the Project in the Application and during the DBSA's investigation thereof;
- 14.1.4. it has disclosed to the DBSA any financing for the Project made available by or applied for from any governmental source and private sector including any banking and/or financial institution;
- 14.1.5. all the Intellectual Property rights existing and developed as a result of the Project, which the Recipient owns or claims to own is not in any manner whatsoever owned by any other party;
- 14.1.6. its business has been conducted and will be conducted in compliance with all Applicable Laws, including but not limited to all relevant environmental legislation;
- 14.1.7. all Authorisation have been obtained or effected and are of full force and effect and no steps have been taken against the Recipient for the revocation, variation or refusal of any material authorisation in respect of the Project and all fees (if any) payable in connection therewith, if due, have been paid and no Event of Default (howsoever described) has occurred in the performance of any of the terms or conditions thereof which is material to the effectiveness of any of the foregoing;
- 14.1.8. no Event of Default or Potential Event of Default:
 - 14.1.8.1. has occurred or is continuing under or in respect of any agreement or document to which the Recipient is a party or by which it may be bound, including this Agreement;
 - 14.1.8.2. might reasonably be expected to result from the conclusion of this Agreement to which it is a party or the making of any of the Disbursements to the Recipient;
- 14.1.9. there is no litigation, arbitration or administrative proceeding current or pending against, to the best of the Recipient's knowledge and belief, threatened against the Recipient which may, if adversely determined, have a Material Adverse Effect;
- 14.1.10. no legal suit, action, proceeding or process or any other steps have been taken or, to the best of the Recipient's knowledge and belief (and after making reasonable enquiries) have been threatened for the winding up or liquidation

(whether voluntary or involuntary, provisional or final), or de-registration of the Recipient or for the appointment of a liquidator, business rescue practitioner or similar officer over the Recipient or over any of the assets of the Recipient;

14.1.11. no Insolvency Event in relation to the Recipient has occurred;

14.1.12. it cannot claim immunity from suit or action;

14.1.13. since the Application Date and the Signature Date no facts or circumstances have occurred which may have a Material Adverse Effect.

14.2. The DBSA is entering into this Agreement relying on each of the representations and warranties made by the Recipient, each of which shall be deemed to be a separate representation and warranty which is material and having induced the DBSA to enter into this Agreement.

15. EVENTS OF DEFAULT

15.1. Each of the following shall constitute an Event of Default under this Agreement:

15.1.1. any event or condition has occurred which in the opinion of the DBSA has or could be expected to have a Material Adverse Effect;

15.1.2. the Recipient fails to comply with any of its obligations under this Agreement, and any such failure continues for a period of 14 (fourteen) days after the date on which the DBSA notifies the Recipient of that failure or, if earlier, the date on which such Recipient becomes or should have, with diligence, become aware of such failure;

15.1.3. the Project is abandoned, suspended or terminated for any reason whatsoever by the Recipient;

15.1.4. any representation or warranty made by the Recipient in this Agreement or in any Disbursement Request or in connection with the execution and implementation of this Agreement is found to have been incorrect in any respect;

15.1.5. an Insolvency Event in relation to the Recipient occurs;

15.1.6. any Authorisation necessary for the Recipient to comply with its obligations under this Agreement or to carry out the Project for any reason ceases to be in full force and effect and is not restored or reinstated within 14 (fourteen) days of written notice by the DBSA to the Recipient;

- 15.1.7. any Project document or any of its provisions are revoked, terminated, repudiated, declared void, becomes unlawful or ceases to be in full force and effect without, in each case, the prior written consent of the DBSA, and in that event, if capable of being remedied, is not remedied to the satisfaction of the DBSA within 14 (fourteen) days of the DBSA's notice to the Recipient;
- 15.1.8. the Recipient has modified the nature or the objective of the Project without the prior written approval of the DBSA;
- 15.1.9. in the opinion of the DBSA, it is imminent that any authority will condemn, nationalise, seize, expropriate, or otherwise assume custody or control of, all or any substantial part of the business, operations, property or other assets of the Recipient or take any action for the dissolution of the Recipient or any action that would prevent the Recipient or its employees from carrying on all or a substantial part of the Business or operations;
- 15.1.10. it appears that material information in the Application is incorrect or that material information was not disclosed;
- 15.2. Forthwith upon the occurrence of an Event of Default and at any time thereafter, if such event continues, the DBSA shall in its sole and absolute discretion be entitled (but not obliged), without prejudice to any other rights which the DBSA may have, by notice to the Recipient to:
 - 15.2.1. suspend any amounts available but not Disbursed under the Grant or declare any amounts available but not Disbursed under the Grant to be automatically cancelled and to declare that no further Disbursement be made available under the Grant; and/or
 - 15.2.2. declare that the obligations of the DBSA in terms of this Agreement shall be cancelled forthwith, whereupon the same shall be so cancelled; and/or
 - 15.2.3. claim immediate payment of any amount disbursed under the Grant, any damages costs and other amounts incurred in consequence of such Event of Default from the Recipient in terms of this Agreement.
- 15.3. Notwithstanding any provision to the contrary in this Agreement, the DBSA may by notice to the Recipient cancel the whole or part of the Grant, as the case may be, if:
 - 15.3.1. the Project activities are interrupted for a consecutive period of 2 (two) calendar months; or

- 15.3.2. the DBSA determines that any person who is engaged in Corrupt Practice, a Coercive Practice, a Collusive Practice or a fraudulent practice, without the Recipient having taken timely and appropriate action satisfactory or to address such practice when they occur; or
- 15.3.3. the Recipient has modified the nature or the objective of the Project without the prior approval of the DBSA.

16. PUBLICATIONS

Should the Recipient wish to publish results of the Project deliverables carried out pursuant to this Agreement, the Recipient shall first obtain written approval from the DBSA and supply it with a copy of the proposed publication, who shall review the proposed publication and notify the Recipient, within 30 (thirty) calendar days after receipt, in writing whether the DBSA consents to such Publication.

17. INTELLECTUAL PROPERTY

- 17.1. Any Intellectual Property already existing at Signature Date and utilised in terms of this Agreement shall remain the Intellectual Property of the Party in whom that Intellectual Property had vested at the Signature Date but each Party hereby grants the other Party a non-exclusive right to use such Intellectual Property for the purposes of the project.
- 17.2. Subject to clause 17.3 below, all Intellectual Property generated by the DBSA through the Professional Services Provider in the Project shall vest in both the Recipient and the DBSA, and the Recipient shall be entitled to use the Intellectual Property for any purposes whatsoever, including without limitation for Commercialisation.
- 17.3. The Recipient hereby grants the DBSA a non-exclusive right to use any and all of the Intellectual Property generated by the Project for purposes of publicity, marketing, and further research.
- 17.4. Should this Agreement be terminated by reason of breach by the Recipient, the Intellectual Property generated by the Professional Services Provider in terms of the Project shall remain vested in the DBSA and the DBSA shall be entitled to use the Intellectual Property however it may elect in its sole discretion, including without limitation for purposes of Commercialisation.
- 17.5. The Recipient furthermore grants non-exclusive right to any and all third parties to use the Intellectual Property generated by the Project for any purposes within the border of the Republic of South Africa which are for the benefit of the Republic of South Africa.

This clause 17.5 is a *stipulatio alteri* capable of acceptance at any time. This clause 17.5 shall not preclude the Recipient from having exclusive rights to the Intellectual Property outside the borders of the Republic of South Africa.

- 17.6. The Recipient shall enter into appropriate agreements with third parties participating in the Project to ensure the effective management of intellectual Property generated in the course of the Project.

18. ARBITRATION

- 18.1. Should any dispute between the Parties with regard to the interpretation, the carrying into effect and implementation of any one or more of the provisions of this Agreement, any of the rights and obligations or either Party arising from the Agreement, the termination or purported termination of, or arising from the termination of, or the rectification or proposed rectification of the Agreement, or pursuant to this Agreement, or any other matter which in terms of this Agreement requires agreement by the Parties, the Parties shall, in the first instance, attempt to come to an agreement in relation to any such dispute by consultation and negotiation in good faith and in the second instance proceed to arbitration.
- 18.2. A dispute shall be determined in terms of this clause after written notice has been given by the aggrieved Party to the other Party.
- 18.3. This clause shall not preclude any Party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.
- 18.4. The arbitration shall be held:
- 18.4.1. at a venue to be agreed between the disputing Parties, failing which at the offices of the Arbitration Foundation of South Africa (“**AFSA**”) closest to the DBSA’s *domicilium* address;
 - 18.4.2. with only the legal and other representatives of the Parties present thereat;
 - 18.4.3. *mutatis mutandis* in accordance with the provisions of the Supreme Court Act, 1959, the rules made in terms of that Act and the practice of the division of the High Court referred to in clause 23;
 - 18.4.4. otherwise in terms of the Arbitration Act, 1965;
 - 18.4.5. it being the intention that the arbitration shall be held and completed as soon as possible.

- 18.5. The arbitrator shall failing agreement between the Parties be such person as appointed by AFSA.
- 18.6. The decision of the arbitrator shall be final and binding on the Parties and may be made an order of the court referred at the instance of any of the Parties.
- 18.7. The Parties agree to keep the arbitration including the subject-matter of the arbitration and the evidence heard during the arbitration confidential and not to disclose it to anyone unless required by Law.
- 18.8. The provisions of this clause:
- 18.8.1. constitute an irrevocable consent by the Parties to any proceedings in terms hereof and no Party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions; and
 - 18.8.2. are severable from the rest of this Agreement and shall remain in effect despite determination of or invalidity for any reason of this Agreement.

19. SEVERABILITY

The Parties agree that each and every provision of this Agreement is severable from the remaining provisions of this Agreement and should any provision of this Agreement be in conflict with any applicable law, or be held to be unenforceable or invalid for any reason whatsoever, such provision should be treated as *pro non scripto* and shall be severable from the remaining provisions of this Agreement which shall continue to be of full force and effect.

20. CESSION AND DELEGATION

- 20.1. The Recipient shall not be entitled to cede, assign, delegate or otherwise transfer any of its rights or obligations under this Agreement to any third party, without the prior written consent of the DBSA.
- 20.2. The DBSA shall be entitled, without the Recipient's consent, to cede, delegate or assign all or any of its rights, benefits and obligations or obligation only under this Agreement to any third party.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreements as at the date of signature of the Party last signing one of the counterparts.

22. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa.

23. JURISDICTION

The parties hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg) (or any successor to that division) in regard to all matters arising from this Agreement.

24. COSTS

24.1. Each Party shall bear its own costs of and incidental to the negotiation and preparation of this Agreement.

24.2. If in any legal proceedings relating to the enforcement by either party of its rights in terms of this Agreement, a court awards costs to any party, such costs shall be determined and recoverable on the scale as between an attorney and his own client and shall include collection charges, the costs incurred by such party in endeavouring to enforce such rights prior to the institution of legal proceedings and the costs incurred in connection with the satisfaction or enforcement of any award or judgment awarded in favour of such party in relation to its rights in terms of or arising out of this Agreement.

25. NOTICES AND DOMICILIA

25.1. The Parties choose as their *domicilia citandi et executandi* their respective addresses set out in this Agreement for all purposes arising out of or in connection with this Agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination may validly be served upon or delivered to the Parties.

25.2. For purposes of this Agreement the Parties' respective addresses shall be as follows:

25.2.1. DBSA:

Physical address: 1258 Lever Road

Headway Hill

Midrand

1685

Telephone number: +27 11 313 3911

Fax number: +27 11 313 3086

Email address: claimadmin@dbsa.org and MohaleR@dbsa.org

Attention: Group Executive: Project Preparation and General
Legal Counsel

25.2.2. Stellenbosch Local Municipality

Physical address: Town House Complex

Plein Street

Stellenbosch

7600

Telephone number: +27 21 808 8111

Email address: Geraldine.Mettler@stellenbosch.gov.za

Attention: Geraldine Mettler - Municipal Manager

or at such other address in the Republic of South Africa of which the Party concerned may notify the other in writing provided that no street address shall be changed to a post office box or post *restante*.

25.3. Any notice given in terms of this Agreement shall be in writing and shall:

25.3.1. if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

25.3.2. if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of dispatch, unless the contrary is proved.

25.4. Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another including by way of facsimile transmission shall be adequate written notice or communication to such Party.

26. RELAXATION

No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Party in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement. No single or partial exercise of any right by any party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

27. VARIATION

No addition to or variation, consensual cancellation or novation of this Agreement and no waiver of any rights arising from this Agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by all the Parties or their duly authorised representatives.

28. WHOLE AGREEMENT

This Agreement constitutes the whole agreement between the Parties as to the subject matter hereof and no agreements, representations or warranties between the Parties regarding the subject matter hereof other than those set out herein are binding on the Parties.

29. INDEMNITY

- 29.1. The Recipient, including any person acting for or on behalf of the Recipient, shall exercise due care and diligence in the performance of its duties in terms of this Agreement and the Recipient, including any person acting for or on behalf of the Recipient, shall be liable to the DBSA where the Recipient has failed to exercise such due care and diligence.
- 29.2. The Recipient indemnifies and holds the DBSA harmless against any liabilities, arising out of the conduct of the Recipient, its employees, agents and or other natural or juristic persons connected with the Recipient, in conducting the work pursuant to this Agreement.
- 29.3. Notwithstanding anything to the contrary set out in this Agreement, the Recipient hereby indemnifies and shall hold the DBSA harmless against any claims, damages, expenses and costs (including those asserted by third parties) directly or indirectly related to this Agreement, in delict, for breach of statutory duty or otherwise.

- 29.4. The Recipient shall indemnify and hereby indemnifies the DBSA against any expenditure incurred in vain, any fruitless or wasteful expenditure incurred and any expenditure which could have been avoided had reasonable care been exercised or expenditure incurred as a result of fraud, theft or negligence or commission and/or omission during the execution of the Project.

30. ANTI-CORRUPTION AND GOOD FAITH

- 30.1. In implementing this Agreement and in all further dealings with each other, the Parties undertake to observe utmost good faith and to give effect to the intent and purpose of this Agreement.
- 30.2. The Recipient will not make or cause to be made any offer, gift or payment or consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Agreement including any activity contained in the Prevention and Combating of Corrupt Activities Act, 2004.
- 30.3. Any such practice will be a ground for termination of this Agreement.

31. ATTESTATION

The Parties hereby acknowledge having read and signed this Agreement and its schedules, the contents of which are understood and accepted by both the Parties.

Signed at _____ on the _____ day of _____ 2019

For and on behalf of:

Development Bank of Southern Africa Limited

Name:

Capacity:

Who warrants authority

Signed at _____ on the _____ day of _____ 2019

For and on behalf of:

Stellenbosch Local Municipality

Name:

Capacity:

Who warrants authority