



NOTICE 29/20

10 June 2020

Dear Homeowners,

AUDIT & RISK MANAGEMENT COMMITTEE: ARMC

In an effort to improve both transparency and communication, we wish to share the role of the ARMC with you and provide you with an update on the current financial performance of the Estate.

The purpose of the ARMC as defined within the Charter, is to assist the Board in fulfilling its oversight responsibilities relating to Risks, Audit and Finances of the Association.

The governance of the ARMC is subject to the provisions of the Companies Act 71 of 2008, as amended ("the Act"), the Association's Memorandum of Incorporation ("the MOI") and any other applicable law or regulatory provision and as recommended in the Code of Governance Principles for South Africa - King III.

The complete Charter is available on the Arabella Portal for your further perusal.

On a monthly basis the following are reviewed:

- Financial statements, i.e.
 - Income Statement
 - Balance Sheet
 - Cash Flow
 - Debtors days
 - Capital Expenditure

From the above a deviation statement is prepared, assessing the current situation vs. budget. A forecast for the remainder of the year is prepared on a quarterly basis.

The Committee meets on a quarterly basis where apart from the above,

- the risk register is reviewed and updated as appropriate,
- insurance coverage in the HOA is considered,
- any other matters of a financial nature

The ARMC is responsible for preparing the annual fiscal budget against specific objectives and guidelines provided by the Board of Directors.

The members of the committee are appointed by the Board and the following are the current members:

- Albert Lubbe (Chairman), Geoff Anderson (Director), Brian Slade, Dirk Uys (Estate GM and Director) , Ockert van Jaarsveld (Director), Danie Claassen, Anneli van Zyl, Nigel Everingham and Steve Argyle.

Finance Update:

Despite the Covid-19 situation we all find ourselves in, the estate has performed to budget for the period ended April and the YTD savings against Budget amounts to R110k.

Due to lockdown implications, such as the Hotel being closed, our updated forecast indicates a surplus before tax of R67 496, although we had budgeted for a surplus of R666 318. This variance has taken into consideration the realisation of savings of approximately R500k for this year. All capital expenditure projects have been put on hold until further notice. The financial year ends on 31 December.

BUILDING TIME LIMIT FOR ALTERATIONS

The HOA Board approved the below addition to our Rules on 8 June 2020:

Owners of erven who undertake alterations must complete all building work within a time limit determined by the Aesthetics Committee when the plan is scrutinised. This time limit will come into effect from the first day of construction. Owners who exceed the determined period will be liable to pay a penalty equal to R5000 per month, or part thereof, commencing on the first day of the month following the expiration of the building period, which monthly penalty will be levied for every month thereafter until all building operations on such property have been completed. The monthly building penalty will escalate annually by 10%, effective from 1 January 2021.

CONTRACTORS

In assisting to curb the possible spread of the Covid-19 Virus, the Covid Core Group has decided on the below change in procedure, previously announced. We would appreciate it if you could assist in communicating this to your contractor/service provider, who will also be formally notified by a letter on arrival.

COVID-19 ACCESS CONTROL: CONTRACTORS/SERVICE PROVIDERS

- It was decided that all contractors/service providers entering the Estate will forthwith and till further notice, have to fill out a self-declaration form and be screened before access to the Estate is allowed.
- All drivers of contractors' vehicles will be screened outside the Estate, at the drop-off point.
- All contractor staff will be screened when entering through the turnstyle. This will entail a temperature scan and completion of a self-declaration form on a daily basis.
- Entry to the Estate will be denied to any person with Covid-19 symptoms or a temperature above 37.5°C

A full record of the temperature scans will be kept in accordance with the OHSA. Although Security will do the screening it does not diminish the responsibility of the contractors towards its legal obligations in terms of its staff, precautionary measures and the wearing of PPE in accordance with the OHSA, and Lockdown requirements. The Estate does not accept any liability for this action.

Stay safe.
Dirk Uys