

# **The Brickworks Management Association (RF) Non-Profit Company**

(Registration No: 2022/460573/08)



## **Annual Report**

**For the year ended 31 March 2023**



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# **The Brickworks Management Association (RF) Non-Profit Company**

(Registration No: 2022/460573/08)

("the Company")

## **Notice of the Annual General Meeting**

Notice is hereby given that the Inaugural Annual General Meeting of the Members of The Brickworks Management Association (BMA) NPC will be held at Investec Properties Offices, Room number is GM2, as well as via Microsoft Teams Meeting on **4 October 2023 at 11h30** for the following purposes:

1. To receive the Chairman's Report.
2. To appoint the independent auditors of the Company.
3. To elect directors in terms of Article 5 of the Memorandum of Incorporation.  
During the Development Period the Board shall comprise a of three directors, two of whom shall be nominees of the Developer.

It would facilitate secretarial procedures if nominations for the appointment of Directors could be emailed to [jo@urbanmgt.co.za](mailto:jo@urbanmgt.co.za) by no later than 30 September 2023. Nominations must be in writing with the name of the proposer and seconder, the acceptance of such nomination by the nominee, and should be accompanied by the curriculum vitae of such nominee. A nomination form is enclosed for this purpose.

4. Special Resolution to amend the Memorandum of Incorporation to reflect the approved levy methodology.  
For a special resolution to be approved of by members, it must be supported by at least 75% (Seventy Five Percent) of the voting rights exercised on the resolution.
5. To transact such other business as may be transacted at an Annual General Meeting.

### **NOTE:**

Any member entitled to attend and vote is entitled to appoint a proxy to attend, vote and speak in his/her stead, and such proxy need not also be a member of the Company. A proxy form is enclosed for this purpose.

Items for discussion under any agenda item should be advised to the Chair of The Brickworks Management Association and emailed to [jo@urbanmgt.co.za](mailto:jo@urbanmgt.co.za) by no later than the 30 September 2023. Please note that such notification must be in writing.

In terms of clause 14.13 of the Memorandum of Incorporation, any member who is 60 (sixty) days or more in arrears in the payment of any levies due to the Association in terms of the MOI, shall not be allowed to vote at the meeting, either in person or by proxy

By order of the Board



# **The Brickworks Management Association (RF) Non-Profit Company**

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## **Agenda**

**1. Welcome**

**2. Apologies**

**3. Notice of meeting and quorum**

A quorum required for the Annual General Meeting is Members holding between them, in aggregate, not less than 20% of the rights (bulk ownership) entitled to vote, personally present, or by its duly authorized representative (subject to 3 (three) Members personally present), provided that for the Development Period, 1 (one) of such Members is the Developer.

**4. Chairman's Report**

**5. Resolution 1: To appoint the independent auditor of the Company.**

**6. Resolution 2: To elect Directors for the ensuing year. Current directors who will resign include Maveshnee Govender, Bronwyn Momberg and Iain Burns.**

**7. Special Resolution 1: To amend the Memorandum of Incorporation to reflect the approved levy methodology.**  
For a special resolution to be approved of by members, it must be supported by at least 75% (Seventy Five Percent) of the voting rights exercised on the resolution.

**8. General**

**a. Social Facilitator and CLO process**

**9. Close of Meeting**

**By order of the Board**



## The Brickworks Management Association (RF) Non-Profit Company

(Registration No: 2022/460573/08)

### **Directors Nomination Form for the Annual General Meeting of 4 October 2023**

I, the undersigned:.....

duly authorised representative of:.....

being a fully paid up member of the Association and registered owner of Ptn:.....

in the area known as **The Brickworks Management Association**, hereby nominate for appointment as Director of the Association:

.....

\_\_\_\_\_  
Proposer's signature

\_\_\_\_\_  
Nominee's signature

#### **NOTE:**

**Directors Nomination Form should be emailed to [jo@urbanmgt.co.za](mailto:jo@urbanmgt.co.za) for the attention the Chair of The Brickworks Management Association by 30 September 2023.**



## The Brickworks Management Association (RF) Non-Profit Company

(Registration No: 2022/460573/08)

### Form of Proxy

I, the undersigned.....

duly authorised as representative of.....

being a fully paid up member of the Association and registered owner of Ptn No:.....

in the area known as **The Brickworks Management Association**, hereby appoint:

..... (Name of Proxy)

Or, failing him/her, the Chairman of the meeting, as my proxy to vote for me and on my behalf at the Annual General Meeting of the Association to be held on 30 September 2023.

I record that my proxy will vote as he/she thinks fit.

Signed at:..... this.....day of.....2023.

Signature:.....

FOR AND BEHALF OF:.....

#### **NOTE:**

Proxy forms should be emailed to [jo@urbanmgt.co.za](mailto:jo@urbanmgt.co.za) for the attention the Chair **The Brickworks Management Association by 30 September 2023**.

# The Brickworks Management Association (RF) Non-Profit Company

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## Annual Report

The Chair's Annual Review covers the financial year ending 31 March 2023 and the period to date.

I am pleased to be reporting on the first year of the Brickworks Management Association (BMA) ("the Association") at the Annual General Meeting.

The purpose of the Management Association is to advance the interests of Association's members and protect property value. This function is achieved by the UrbanMGT BMA Management Team, appointed by and under direction of the Board of Directors. The BMA Management Team carries out the day-to-day operation and administration of the Brickworks Precinct, including the Association's governance requirements, financial management, implementation of the BMA's Rules and ensures design code compliance. The Management Team also lobby authorities on behalf of property owners, businesses and users of the Brickworks Precinct for, amongst other things, policing and city provided services.

The BMA have appointed Excellerate as the security service provider for safeguarding within the precinct. The general maintenance service providers will gradually be introduced as their services are required once the relevant infrastructure is completed. Fire safety consultants have been appointed for the maintenance & upkeep of the fire suppression system, which has been handed over to the BMA following completion.

### **1. Board of Directors**

| <b>Name</b>        | <b>Representing</b> |
|--------------------|---------------------|
| Bronwyn Momberg    | Investec Property   |
| Iain Burns         | Investec Property   |
| Maveshnee Govender | Investec Property   |

The Memorandum of Incorporation allows for a total of 3 (Three) Directors during the Development Period, 2 (Two) of whom shall be nominees of the Developer. I would encourage members to get to know the Board Directors who represent your interests in the running of the Association. The current Board has been committed and diligent in the execution of their fiduciary duties and I would like to thank them for their time and efforts this past year.

## **2. Auditors**

The appointed Auditors for the Association are Mazars, located in Umhlanga Ridge, Durban.

To note that a financial audit has not yet been conducted as there have been no transactions to date. As such, the CIPC annual return was submitted on a nil turnover basis.

## **3. Primary Developer being Investec Property – Infrastructure Update**

Key items to note for the current period.

### **Phase 1 Brickworks:**

- Formalised power provision for eThekweni Municipality (eTM) is still outstanding – The Development Team is still engaging with eTM on this matter.
- Phase 1 Roads construction complete – decision yet to be made on whether roads will be handed over to eTM or kept private. At this time, no handover is being sought while primary development continues and decision yet to be made.
- Services within road reserves for phase 1 installed but no handover to eTM or the Association in respect of services ducting.
- Streetlighting – discussion around privatisation of streetlighting and specification is ongoing.
- Majority of perimeter fencing for phase 1 complete, at this time no handover to association as further security measures to be finalised including gates.
- CCTV installation for Association common space in planning phase.
- Gatehouse approval has been granted, however this item is to be revised and phased as budget allows.
- SG block Fire suppression system installed and complete – this has been handed over to the Association.
- Phase 2 Brickworks: No Movement - option not taken at this time for development rights – the Association awaits an update.

## **4. BMA Top-Structure Development Update**

The Design Review Panel fulfils an essential role in ensuring that the design intentions, as set out in the Design Code, are maintained.

The table below is a summary of development progress as of 31 August 2023:

|                         |                                                                                                                                                                                                                                                                                                                |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Under construction      | <ul style="list-style-type: none"><li>• Supergroup – PC awaiting final completion</li><li>• Food lovers – DRP approved</li><li>• Takealot- DRP Approved</li></ul>                                                                                                                                              |
| Planning approval - DRP | <ul style="list-style-type: none"><li>• Store-age – DRP still to review proposed development.</li><li>• Common Property Signage and Wayfinding still to be discussed and approved.</li><li>• Master landscaping plan and servicing to be completed</li><li>• Gatehouse and entrance feature approved</li></ul> |

Fire suppression tanks were built, and construction completed in July 2023, the system has been handed over to the Management Association. The Management Association have appointed SASTISFIRE to manage & maintain the system going forward and they will conduct the servicing, training of security personnel, as well as monthly check-ups to ensure the fire suppression system is functioning optimally.



**Photo above** – Fire suppression tank system

**Below Images of ongoing construction projects:**



**Photo above** – Ptn 9 of Erf 411 - Supergroup



**Photos above – Ptn 3 of Erf 411 – Takealot**



**Photo above – Ptn 2 of Erf 411 – Food Lovers Market**

## **5. Management of Brickworks Management Association (BMA).**

UrbanMGT are the appointed Professional Management Company. UrbanMGT bring experience and commitment to the management of the Association and also the manage the Bridge City Management Association, CIBE Management Association, Sibaya Master Management Association and Conservation Trust and the Riverhorse Valley Business Estate Management Association, which allows for the benefits of best practice to be realised by BMA and its members. Hloniphani Mpanza is the dedicated Precinct Manager, with support and guidance from Nwabisa Mkhize, as the Head of Southern Operations. Celine Spies fulfils the administration function, and the team is supported by the UrbanMGT professional team.

The Management Team fulfils all governance and day to day functions of the Association, including the drafting of annual budgets and levies, which are represented to the Board for review and approval.

To ensure good governance UrbanMGT has separated the authorisation of Association expenses from that of payment and accounts administration. For this reason, Eris Property Group has been contracted by the Association to provide the accounts administration function. The service contract requires monthly payments are signed off by the Association's Management and authorised by two BMA Directors prior to Eris Property Group making payment and generating the monthly financial reports which are reviewed by UrbanMGT for approval.

## 6. Budgets and levy

The Board of the BMA have approved the below budget, following an extensive review process. Given the limited BMA member base, the Primary Developer will be funding the deficit in the 2023/2024 budget. This so as to not burden the founding members with excessive levies.

### BRICKWORKS PROPERTY OWNERS ASSOCIATION FORECAST BUDGET

| BUDGET SUMMARY                                      | EXCL. VAT | Budget                          |
|-----------------------------------------------------|-----------|---------------------------------|
| <b>INCOME</b>                                       |           | <b>2023/2024<br/>(9 months)</b> |
| ANNUAL LEVY INCREASE                                |           | 0,0%                            |
| LEVY PER SQM OF NETT PLATFORM AREA                  |           | R 0,96                          |
| TOTAL LEVIES                                        |           | 256 269                         |
| LEVIES TRANSFERRED TO RESERVE                       |           | 0                               |
| OTHER INCOME                                        |           | 0                               |
|                                                     |           | <b>256 269</b>                  |
| <b>EXPENSES</b>                                     |           |                                 |
| COMPANY COSTS                                       |           | 40 080                          |
| MANAGEMENT COSTS                                    |           | 543 006                         |
| FEES - CONSULTING                                   |           | 0                               |
| MUNICIPAL COSTS                                     |           | 1 600                           |
| SECURITY COSTS                                      |           | 608 030                         |
| LANDSCAPING AND ENVIRO. MGT                         |           | 80 000                          |
| CLEANING AND WASTE MGT                              |           | 63 153                          |
| MAINTENANCE                                         |           | 10 000                          |
| MISC COSTS                                          |           | 0                               |
| COMMUNICATION, PR, MARKETING COSTS                  |           | 0                               |
| SOCIAL-ECO DEVELOPMENT & STAKEHOLDER ENGAGEMENT     |           | 0                               |
|                                                     |           | <b>1 345 869</b>                |
| <b>OPERATING SURPLUS /(DEFICIT) BEFORE TAXATION</b> |           | <b>-1 089 600</b>               |
| <b>TAXATION</b>                                     |           | <b>0</b>                        |
| <b>OPERATING SURPLUS /(DEFICIT) AFTER TAXATION</b>  |           | <b>-1 089 600</b>               |
| <b>URBANMGT CREDIT</b>                              |           | <b>-150 000</b>                 |
| <b>CASH SURPLUS/(DEFECIT) FOR THE YEAR</b>          |           | <b>-939 600</b>                 |

As per the above budget, the levy has been set at R0.90c per m2 of platform area.

## **7. Policies and Procedures**

Ongoing review policies and procedures and compliance thereof is essential for protecting the collective interests of Members and respective property values. Policies and procedures draw on best practice from Riverhorse Valley Business Estate, a mature precinct, Cornubia Industrial and Business Estate, Sibaya Master Management Association and Bridge City, which are developing precincts, so as to learn from past experience while providing a degree of consistency for Members.

Key Policies and Procedures include:

- Brickworks Works Precinct Design Code
- Rules of the Association – includes DRP Procedure / Fees and penalty schedule for contravention of Rules of the Association
- Developers and Contractors Protocol
- Fibre Installation Guidelines
- Fibre Duct usage agreement
- Fire Suppression Tank SLA
- Membership Forms

## **8. Municipal Matters**

None of the infrastructure or services has been handed over to the Municipality. As and when handovers occur, the Management Association will follow up with the municipal departments to ensure that the infrastructure is recorded on their systems and that they are maintained.

### **8.1. Public transport**

The Management Association is involved with the technical design team and assisting with the adequate design of public transport facilities and design.

### **8.2. Informal trading**

Historically this has been a major challenge for Managed Precincts. The argument that commercial and industrial precincts have servitude rights over public areas and sidewalks and therefore have the legal right to stop any vendor / informal trading is not acceptable to the Municipality, who is the ultimate authority.

The intention is to ensure informal trade / vending adds value to the precinct and instils investor confidence at an early stage, while providing meaningful and sustainable economic opportunities for vendors.

The Municipality has agreed to NOT issue any informal trading licenses / permits until the Managed Area Informal Trade Policy has been approved by the Municipality and the Association. In this regard, the Association is actively participating in the policy formulation process.

## 9. Safeguarding

This remains a top priority for the Management Team on the ground, as such Excellerate were appointed as the precinct security company following a rigorous RFP process, commencing in June 2023, the security complement consists of an armed Grade A plus guard during the day and in the evening there are 2 guards in the vehicle, both of whom are armed.

The Primary Developer has appointed a security systems specialist to do an in-depth assessment of the precinct and the requirements needed to meet the CCTV component at the current early stage, as well as into the fully developed precinct stage. ..

The precinct is also set to have solar streetlighting installed, which will mean that the streetlighting will be off grid which will be a significant advantage for The Brickworks. The solar streetlights will also add great value when it comes to keeping the precinct well-lit especially on the security front as maintenance and repairs will be carried out by private electricians called out by the Management Team.

**The 24hr number for on site BMA security is 076 750 8348**

It is important to note that each of the individual developments is responsible for their own on-site security. However, are encouraged to report all concerns or security incidents to the BMA on **076 750 8348**

## 10. Communications

### 10.1 Website Domain & Hosting

A domain for [www.thebrickworksma.co.za](http://www.thebrickworksma.co.za) has been purchased including the email exchange address [info@thebrickworksma.co.za](mailto:info@thebrickworksma.co.za). The current domain and email is hosted by IT-Works, the Management Team's preferred supplier who we have a long term, positive working relationship.

### 10.2 Website Development & Digital Communications

This Website and Digital Communications proposal has been submitted by UrbanMGT to the BMA Board on the 7 September 2023. UrbanMGT have a tried and tested precinct communication system comprising of a network of integrated systems that allow for two-way interactive communication and one-way broadcast-based communication.

At the centre is a fully functional website connected to key communication platforms. The website also acts as a critical communication portal and information archive for the area and management structure. From this point we are able to communicate everything from news items to emergency alerts with all our stakeholders.

Following approval by the Board, website development and the setup of communications is estimated to take 12 weeks (barring any major design / developmental reverts).

### 10.3 Welcome Guide

Property owners purchasing land / property within a Management Association, and often their tenants, are generally overwhelmed by the volume of documentation: Association MoI, MA introduction letter, membership forms and comprehensive rules including both the development and more importantly the post development period. In short, this sheer volume of documents generally results in owners and /or tenants not reading these important documents until it is either too late or conflict arises.

Very importantly, BMA members are generally unaware of the valuable role the BMA fulfils in protecting and advancing the collective interest of members and actively delivering a highly sought-after precinct which underpins property values. This should be seen in the context of rapidly declining municipal service delivery. Buy-in to the philosophy by owners and tenants from the outset of a development is directly proportional to the success of the Precinct.

The Brickworks Welcome Guide is a friendly and engaging electronic guide that provides new property owners with a key information about our precinct and the managing association, without leaving them overwhelmed. Embedded links within the guide direct members to key information hosted on the BMA website along with interactive maps that showcase the BMA boundaries, Greater uMhlanga key areas and more. As our precinct grows, so does our Welcome Guide grow and evolve with it.

A proposal for the design of welcome guide was submitted on the 7 September 2023 for consideration by the Board of Directors.

I would like to thank the Primary Developer Development Team and the BMA Management Team for their efforts in ensuring that The Brickworks fulfils the development vision of Brickworks being a logistics and distribution to unlock the potential of the space.

**Bronwyn Momberg**

**Chair of The Brickworks Management Association**