

FINANCE

The audited Annual Financial Statements for the year ending 30th June 2015 have been approved by the Board and have been circulated to members for discussion. If they are deemed acceptable they are to be approved at the AGM.

The City Council operates on a cash accounting basis and as ZAPO is effectively a part of the City Council's finances it has to follow the same accounting format.

Set out below is a comparison between the approved budget and actual income and expenditure for the year ending 30TH June 2015.

All figures are VAT exclusive.

INCOME	BUDGET (Rands)	ACTUAL (Rands)	VARIANCE (Rands)
Monthly instalments from Council	831 500	831 500	0
Refund of arrears	0	17 516	-17 516
Interest / Other	0	9 682	-9 682
GROSS INCOME	831 500	858 698	-27 918
EXPENDITURE			
Accounting	8 000	8 050	50
Administration and Management Fees	60 000	50 250	-9 750
Auditors remuneration	12 000	9 838	-2 162
Bank Charges	2 500	2 173	-327
Cleaning Services (fence strip clearing)	10 000	13 716	3 716
Common Area maintenance (fence)	65 000	75 768	10 768
Depreciation	95 500	92 544	-2 956
Insurance (fence and directors liability)	10 000	9 103	-897
Meeting expenses	4 500	4 112	-388
Office expenses	0	2 597	2 597
Postage	0	297	297
Printing and stationery	1 500	0	-1 500
Secretarial fees	5 000	2 398	-2 602
Security	525 000	514 044	-10 956
Subscriptions	0	139	139
Sundry expenses	2 500	0	-2 500
Telephone and fax	5 000	0	-5 000
Travel	0	193	193
Utilities	0	-6 878	-6 878
TOTAL EXPENSES	806 500	778 344	-28 516
CAPITAL EXPENSES			
Provision for camera	25 000	0	25 000
Electrification South fence	0	36 795	-36 795
TOTAL	25 000	36 795	-11 795

The income exceeded the budgeted income by R 27 918 as a result of the refund of the Bad debt provision by the City Council and interest earned on the sinking fund account established for the future replacement of the fence components.

Operating expenses were R28 516 below budget. The over run on the fence maintenance was offset by savings on the security contract. The utility refund was as a result of an overpayment for electricity to the fence cameras, in the previous year, due to an incorrect meter reading last year.

The capital cost exceeded the budget by R 11 795. Instead of installing an additional camera, as provided in the budget, the Board resolved to extend the electric fence part way down the Southern boundary. As a result of the fire in March the baboons are ranging into the Steenberg Vineyards and Louw Family property to the South of the SRA area in search of food. From there they are gaining access to Zwaanswyk properties from these adjoining unprotected areas. Thus the Board deemed it prudent to try and increase the protection to residents along the western part of this boundary. The additional expenditure incurred is subject to member's approval as per resolution number 1.

The bank balance reflected in the Annual Financial Statements is made up as follows;

Operating Reserves:	R 111 986
Fence replacement sinking fund:	R 244 691
Total:	R 356 677

The operating reserve is below the opening balance at the beginning of the year as the payment from the City Council of R 69 292, due before the end of June 2015, was only received at the beginning of July, even though it was accounted for in the income for the year.

Post the year end ZAPO received a payment of R45 332.49 from the City Council.

This is a refund of the bad debt provision for the 2015 year. ZAPO members are sufficiently disciplined payers that the actual arrears at year end were less than the bad debt provision and the City Council reimbursed ZAPO with 25% of the favourable balance. These funds will be placed in the company's reserves. Members are requested to vote on and approve Resolution number 3 of the Agenda.