

SRA ANNUAL AUDIT AND BUDGET SURPLUS

FINANCIAL STATEMENTS

The financial statements of the SRA for the financial year end on 30 June 2015 have been audited without any adverse comment and approved and signed by the board at its meeting on 11 August 2015. The financial statements, which will be submitted to members for approval at the SRA's AGM, can be viewed on the SRA's website www.kalkbaystjamesra.org.

The financial statements measure the company's performance in financial terms only, and does not measure the quality of services provided.

Given the nature of our activities, it is not straight forward to measure the quality of these services. However, the board is currently assessing the effectiveness of the services being provided and their assessment will be included in a forthcoming newsletter and in the directors' report to be presented at the forthcoming AGM.

BUDGET SURPLUS

The financial statements show that the SRA had a budget surplus R336,161 for the year. This was principally because of delayed full start-up of operations due to delays by the authorities in registering the SRA company. This is fortunate because a change in City Council policy now requires us to retain at least two months of revenue (about R240,000) of the surplus as a permanent reserve to cater for unexpected events that might affect our cash flow from the City, the main concern being possible delays in receiving an annual tax clearance from SARS.

ALLOCATION OF BUDGET SURPLUS AND REVISED 2015/2016 BUDGET

At its meeting on 11 August 2015, the board approved an allocation of the budget surplus as follows:

To be retained as a general reserve	R 246,161.00
Capital expenditure -PPE: Acquisition of up to 3 security cameras	R 70,000.00
Operational projects: Social Upliftment projects	R5,000.00
Operational projects: Environmental upgrade projects	R10,000.00
Operational projects: Cleansing projects	<u>R5,000.00</u>
TOTAL	<u>R 336,161.00</u>

The board also approved a revised 2015/2016 budget, which was adjusted in line with this allocation. This revised budget can also be viewed on our website. The surplus allocation and revised budget will be submitted to the members of the SRA company for their ratification at the forthcoming AGM.

AGM

The board has agreed that the AGM of the SRA company will be held on Monday 9 November 2015. Formal notices and reminders will be published nearer the time.