

Kleinmond Street Watch

Highlights from the Annual Financial Report – 28 February 2022

1. Introduction

- 1.1 KSW experienced a very good financial year despite the loss shown in the Statement of Comprehensive Income (which was planned & budgeted as such), thanks to Kleinmonders having generously continued to provide their support via cash donations during the year.

2. Statement of Comprehensive Income (Income Statement)

2.1 Income

- 2.1.1 Interest of R11 937 was earned, mainly from the Nedbank Just Invest investment account. The reduction compared to 2021 can be attributed to the reduced investment amount after the donation was made to the Kleinmond Special Ratings Area (KSRA) (see also para 2.2.1).
- 2.1.2 An amount of R78 919 which in previous years was recorded in the KSW books as expenses and was incurred on behalf of the KSRA, was written back to the KSRA loan and hence is shown as income in this year.
- 2.1.3 Donations amounting to R73 655 were made by donors; of which R51 975 is represented by cash donations and R21 680 by donations made by patrolling members who elected not to claim the R100 fuel reimbursement per two hour shift on offer.

2.2 Expenses

- 2.2.1 KSW made donations of more than R300 000 to the KSRA, in terms of an earlier approval by its members to fund a variety of security cameras to be installed in town. A payment of R300 000 was made to the KSRA in August 2021, while KSW's contribution to a camera purchased in April 2021 and initially recorded as equipment in KSW's records, was also donated to the KSRA – a total donation for the year of R321 380. This expense is the single most important contributor to the loss for the year.
- 2.2.2 Fuel reimbursement expenses amounted to a total of R85 251 of which R63 571 was paid out in cash and R21 680 is represented by monies forfeited by patrolling members, shown as donations in para 2.1.3.
- 2.2.3 Operational expenses, which consist mainly of items such as the VCSV hall rental, stationery, website maintenance & bank charges, totalled R9 062 for the year.

- 2.2.4 The rest of the expenses are mainly made up by depreciation of equipment and accounting fees.

3. Statement of Financial Position (Balance Sheet)

- 3.1 Total assets of KSW amount to R363 690 (previous year R612 628). The reason for the large reduction from the previous year can be attributed mainly to the donation to the KSRA.
- 3.2 The assets consist of three components namely:
- 3.2.1 Equipment of R6 119 (mainly the book value of the magnetic decals used by patrolling members on their vehicles' doors during night patrols).
- 3.2.2 A loan to the KSRA of R107 502. This loan originated from payments made by KSW on behalf of the KSRA (R78 919 in previous years and R38 583 during this year). Repayments on this interest free and unsecured loan take place at R2 000 per month and R10 000 has already been received since October.
- 3.2.3 Cash invested and in the bank of R250 069.
- 3.3 Current liabilities of R9 100. It consists of R3 000 due to Snibbe Accounting and R6 100 due to patrolling members for patrols performed during February 2022 (payments are made during the first week of the next month).

4. Budget 2023 and longterm outlook

- 4.1 The budget for the year ending 28 February 2023 was put together based on the following assumptions:
- 4.1.1 Interest earned on the lower average investment balance expected to be approximately R665 per month = R7 980
- 4.1.2 Average cash donations continue at the current average rate of approximately R3 800 per month (x 12) = R45 600
- 4.1.3 Average donations by patrollers forfeiting fuel reimbursements to grow by the same expected percentage applied to actual fuel reimbursements namely 10% (R23 848)
- 4.1.4 Accounting fees to remain the same at R3 000
- 4.1.5 Operational expenses to grow at 5% inflation rate (R9 515)

- 4.1.6 Depreciation to reduce slightly due to certain assets fully depreciated during the year (R3 250)
 - 4.1.7 Fuel reimbursements increase by 10% due to higher oil prices (R23 848 relating to patrollers forfeiting reimbursements & R69 928 relating to cash reimbursements).
 - 4.1.8 KSW assisted Proteadorp Neighbourhood Watch with the purchase of decals to the amount of R1 124 during March 2022.
 - 4.1.9 Therefor budgeting for an overall loss of R33 237 for the year.
- 4.2 The current expectation based on current trends extrapolated into the future, is that KSW could continue for at least 6 to 7 years with its current cash reserves, boosted by the annual collection on the KSRA loan (R24 000 per annum) and on the assumption that cash donors continue with their current contributions.