



REPORT TO SUBCOUNCIL 20

1. ITEM NUMBER :

20SUB45/5/19

2. SUBJECT :

ANNUAL FINANCIAL STATEMENTS: ZWAANSWYK ASSOCIATION OF PROPERTY OWNERS

3. PURPOSE

To comply with Section 11(7)(a) & (b) of the Special Rating Areas By-law (GG 6651 dated 21 August 2009) by submitting the Audited Annual Financial Statements and Annual Report to Subcouncils.

4. FOR DECISION BY

Subcouncil 20: **TO NOTE**

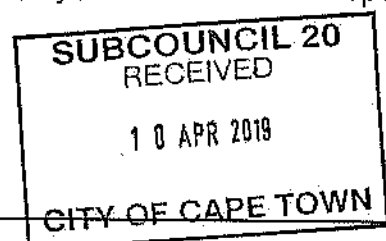
Delegation Number 2(1): To monitor the implementation of Council's budget, service delivery business implementation plans, strategic objectives, policies and programmes within the sub-council jurisdictional area.

5. EXECUTIVE SUMMARY

In accordance with the Special Rating Areas By-law, Section 11(7)(a) & (b), the Audited Financial Statements and the Chairperson's Annual Report of Zwaanswyk Association of Property Owners is submitted to Subcouncil 20 for noting.

6. RECOMMENDATION

That the Annual Financial Statements of the Zwaanswyk Association of Property Owners is **BE NOTED**.




ANNEXURES

Annexure A: Annual Financial Statements for the year ended 30 June 2018

Annexure B: Minutes of the Annual General Meeting held in 12 November 2018

FOR FURTHER DETAILS CONTACT:

NAME	<i>Richard White</i>
CONTACT NUMBERS	021 444 8112
E-MAIL ADDRESS	Richard.White@capetown.gov.za
DIRECTORATE	Urban Management

 9 April 2019

Richard White
MANAGER: SUBCOUNCIL 20

Comment:

ZWAANSWYK ASSOCIATION OF PROPERTY OWNERS NPC
(Registration number 2008/021552/08)
Annual Financial Statements
for the year ended 30 June 2018

Valentine Sargeant
Chartered Accountants (S.A.)
Registered Auditors
Issued 13 August 2018

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

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The reports and statements set out below comprise the annual financial statements presented to the directors:

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Detailed Income Statement	13

Chartered Accountants (SA)

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Independent Auditor's Report

To the members of Zwaanswyk Association of Property Owners NPC

We have audited the annual financial statements of Zwaanswyk Association of Property Owners NPC, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 4 to 12.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Zwaanswyk Association of Property Owners NPC as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Valentine Sargeant
Registered Auditors

Valentine Sargeant



A Member of AGN International Ltd
A worldwide association of separate and independent
accounting firms

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements against material misstatement or loss.


The directors have reviewed the company's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the company's annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance. The annual financial statements have been examined by the company's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 13, which have been prepared on the going concern basis, were approved by the board on 13 August 2018 and were signed on its behalf by:



Director



Director

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Directors' Report

The directors submit their report for the year ended 30 June 2018.

1. Review of activities

Main business and operations

The company is a public benefit organisation as defined in Section 30(1) of the Income Tax Act and incorporated as a Non-profit company in terms of the Companies Act. The main objective of the company is the management of the residential improvement district of Zwaanswyk.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in their opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has not yet been adjusted for.

4. Directors

The directors of the company during the year and to the date of this report are as follows

P Lambrecht

R Taylor

P Gorre

J Green

L du Plessis

N de Wet

A Glendinning

E Jansen

W Spohr

Resigned 29 September 2017

Resigned 28 November 2017

Appointed 28 November 2017

5. Auditors

Valentine Sargeant will continue in office in accordance with section 270(2) of the Companies Act.

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Position

Figures in Rand	2018	2017
Assets		
Non-Current Assets		
Property, plant and equipment	912,591	1,015,371
Current Assets		
Trade and other receivables	5,282	6,540
Cash and cash equivalents	1,027,745	776,394
	1,033,027	782,934
Total Assets	1,945,618	1,798,305
Equity and Liabilities		
Equity		
Retained income	1,911,074	1,765,624
Liabilities		
Current Liabilities		
Trade and other payables	34,544	32,681
Total Equity and Liabilities	1,945,618	1,798,305

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Statement of Comprehensive Income

Figures in Rand	2018	2017
Revenue	1,048,200	970,378
Other income	131,462	89,544
Operating expenses	(1,034,212)	(931,809)
Operating profit	145,450	128,113
Profit for the year	145,450	128,113

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Statement of Changes in Equity

Figures in Rand		Retained income	Total equity
Balance at 01 July 2016	-	1,637,511	1,637,511
Changes in equity	-		
Total comprehensive income for the year	-	128,113	128,113
Total changes	-	128,113	128,113
Balance at 01 July 2017	-	1,765,624	1,765,624
Changes in equity	-		
Total comprehensive income for the year	-	145,450	145,450
Total changes	-	145,450	145,450
Balance at 30 June 2018	-	1,911,074	1,911,074
Note(s)			

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Statement of Cash Flows

Figures in Rand	2018	2017
Cash flows from operating activities		
Cash generated from operations	251,351	273,474
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(26,112)
Total cash movement for the year	251,351	247,362
Cash at the beginning of the year	776,394	529,032
Total cash at end of the year	1,027,745	776,394

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Facility construction	05 - 20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Zwaanswyk Association of Property Owners NPC

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Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.2 Financial instruments (continued)

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.4 Revenue

Interest is recognised, in profit or loss, using the effective interest rate method.

Income received from levies is recorded when received.

Zwaanswyk Association of Property Owners NPC

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Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand

	2018	2017
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2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Facility construction	1,447,050	(534,459)	912,591	1,447,050	(431,679)	1,015,371

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Total
Facility construction	1,015,371	(102,780)	912,591

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Facility construction	1,091,538	26,112	(102,279)	1,015,371

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

3. Trade and other receivables

VAT	5,282	6,540
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,027,746	776,394
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Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand

	2018	2017
5. Revenue		
Services rendered	1,048,200	970,378
6. Cash generated from operations		
Profit before taxation	145,450	128,113
Adjustments for:		
Depreciation and amortisation	102,780	102,279
Changes in working capital:		
Trade and other receivables	1,258	45,214
Trade and other payables	1,863	(2,132)
	251,351	273,474

Zwaanswyk Association of Property Owners NPC

(Registration number 2008/021552/08)

Annual Financial Statements for the year ended 30 June 2018

Detailed Income Statement

Figures in Rand

	2018	2017
Revenue		
Services rendered	1,048,200	970,378
Gross profit	1,048,200	970,378
Other income		
Interest received	42,334	35,734
Retention refund	89,128	53,810
Operating expenses		
Accounting fees	(10,528)	(10,000)
Administration and management fees	(72,876)	(62,297)
Advertising	(4,023)	(3,822)
Auditors remuneration	(11,000)	(1,300)
Bank charges	(2,726)	(2,610)
Cleaning	(41,326)	(33,775)
Common area maintenance	-	-
Depreciation	(102,780)	(102,279)
Fines and penalties	-	(45)
Insurance	(17,417)	(16,867)
Meeting expenses	-	(658)
Office expenses	(2,123)	(3,832)
Repairs and maintenance	(103,806)	(78,738)
Secretarial fees	-	(1,770)
Security	(664,149)	(603,165)
Subscriptions	(920)	(4,996)
Utilities	(538)	(5,655)
	(1,034,212)	(931,809)
Profit for the year	145,450	128,113

Zwaanswyk Association of Property Owners (ZAPO)



P.O. Box 31101, Tokai, 7966

Non-Profit Company Reg No. 2008/02/1552/08

Email: info@zapo.co.za

**ANNUAL GENERAL MEETING 12th NOVEMBER 2018 AT 18H30 AT THE LIBRARY, TOKAI ROAD,
TOKAI**

MINUTES

Board members present:

Robbie Taylor (Chairman)
Philip Lambrecht
Pam Gorre
John Green
Eric Jansen
Andrew Glendinning
William Spohr

1. Registration

17 Members attended the meeting in person and had completed the attendance register. In addition 37 proxies, appointing certain members, had been received prior to the meeting.

2. The Chairman welcomed Eddie Scott from the City of Cape Town, The Chairman welcomed the members and the board members.

Apologies were received from P. Dreyer

3. A count of the attendance register and proxies confirmed that the meeting had the required quorum to constitute the meeting.

The Chairman requested that all voting be done by a show of hands rather than by a ballot. This was agreed by all members present.

ZAPO has received the approval from the City Council to hold the AGM outside the Zwaanswyk SRA area.

Zwaanswyk Association of Property Owners (ZAPO)

P.O. Box 31101, Tokai, 7966

4. The minutes of the previous Annual General Meeting 8th November 2017 were accepted by the meeting.

Proposed by Eric Jansen and Seconded by John Green

5. Chairman's Report

The Chairman confirmed that the report had been posted on the website and circulated to members. The Chairman advised the meeting that the board hold properly constituted meetings throughout the year, and we also had a Special General Meeting regarding the raised intersection. All minutes are available of the board meetings and Members are welcome to contact our Manager Helen Burdett for copies of the minutes.

The following new members had been approved by the Board and welcomed new members- M. Mulder, P. Harrington, L. Kinsley, C. Wright and N. Adler.

The Chairman also thanked the Board for the work they have done on a volunteer basis. He advised the meeting that R. Taylor, A. Glendinning and E. Jansen were resigning on rotation and up for re-election.

The wildlife report, the Chairman thanked John Green for his work and advised the meeting that there has been a warning for many years of the consequences of unsustainable increases in the baboon population, and the wine farms are starting to see the increase of the troops and this is putting pressure on everyone.

The ZAPO fence is still recognised as the most effective measure yet implemented on the Cape Peninsula to separate baboon and human territories and because of the fence we don't see the full effect of the baboon pressure.

The chairman highlighted that Grant Chapman, Rob Tiffen, Phil Lambrecht and Nick Harris who are present at the meeting, were instrumental in the setting up of our Fence many years ago and thanked them noting that we are privileged to have such dedicated members of our community.

The chairman advised that we have upgraded all the gates from remotes to cell switches, these switches provide a far superior level of security as well as an easier interface to add and edit gate users. The gates can be opened with remotes but now all the teething problems have been sorted the remotes will be removed. PL advised that

Zwaanswyk Association of Property Owners (ZAPO)

P.O. Box 31101, Tokai, 7966

the signals are now resolved with the use of boosters and hasn't had any complaints regarding signals anymore.

Maintenance of the fence occurs on an ongoing basis within the budget restraints, ensuring that it fulfills its function. On a weekly basis we are repairing porcupine holes and general erosion from the rain and animals.

Security - The Chairman advised that there have been a few security incidents over the past few months, but the Resident must keep in mind that:

- a. This is community funding, and some members are already spending their budget on personal safety and security at their own homes thereby not requiring additional spend on community security.
- b. The communal area is massive, the cost of securing such a large area to the standard expected by certain people is prohibitive, so securing it to a certain standard and leaving the balance to individuals is a good solution.
- c. Achieving the "certain standard" above is the question, and what we will strive to achieve

To understand this we have our own responsibility to our own security in in our homes. We have Premier on the Communal areas.

Premier (our Security Service Provider) have given comprehensive suggestions on how to improve our situation.

The chairman advised that we have R 350 000.00 available in our Capital budget and we can debate on how much money we spend on the security options.

- Acquisition of hand-held thermal imaging monocular for use by security staff. This would be useful to determine the validity of the many false alarms we get from the electric fence. When a fence zone is activated, the response officer is sent to the nearest access point to the fence where the zone activated. He would look up the fence line for any activity. During the day, this is not a problem. At night however, visibility is poor. The thermal monocular would easily distinguish mammals in the mountainous terrain.
- Installation of White List LPR system linked to resident's vehicle database. This would be useful to alert our vehicle of non-residents vehicles entering Zwaanswyk road.
- Relocate the existing DVR.

Zwaanswyk Association of Property Owners (ZAPO)

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- The Existing DVR is not installed in a user friendly place and access to data, should the need arise, is difficult and time consuming.
- The existing camera array is no longer functional.
- Consideration should be given to a thermal solution, monitored off site on a black screen basis.
- Early detection of a breach from SANPARKS side would go a long way to improving security.
- It's important to note that it is easy to breach the fence without the risk of electrical shock. Simply creating a short between live and ground will neutralise the fence.
- Charging station for security staff Radios / mobile phones/ torches.
- On occasion the response vehicle's battery has been run-flat when charging the equipment

PG recommended that everyone who has cameras on their properties that point to different areas where our cameras don't film, be linked to Zapo cameras and Premier will be able to monitor those areas as well. The Chairman asked Eric Jansen to perhaps organize a meeting of owners who have cameras on their properties and have a discussion if they would be happy to do this. Eric Jansen agreed.

The chairman advised that Zapo has not done much for the community outreach as requested on from the City and on our Implementation Plan and that we had helped Jeffrey Du Preez (one of our Security guards) whilst in hospital.

The three security guards on duty at present are David Van Aswegen, Vickie Smidt and Ferrie Nyschens. The chairman recommended that meet and greet the guards or drop off treats/coffee etc. would be greatly appreciated by the guards on duty.

The chairman explained to the meeting that we will receive an additional rebate from the City in the current year.

Our normal refund of bad debt provision was between R 70 000 – R 80 000.00 a year due to good payments of the rates to the City. For various reasons, and with help from John Green, we have managed to increase the rebate to R118 000.00 in the current year, and this will settle around R118 000 – R 120 000 per year in perpetuity, giving us an increase of around R 30 000 per year. The board has recently discussed the possibility of utilising this excess to uplift the Westlake Community through donating the funds to deserving initiatives such as the library, taxi services, education for children etc. He advised that once the rebate is received from the

Zwaanswyk Association of Property Owners (ZAPO)

P.O. Box 31101, Tokai, 7966

city the residents will be asked to give suggestions for the uplifting of the Westlake community and a decision will be made to where the money is given.

The chairman advised that all the necessary communication areas are covered via the website, emails, Whatsapp, and emergency text messages from Premier.

Our preferred communication to and from residents is still email.

The Chairman handed the floor to Andrew Glendinning to handle the financial issues.

AG advised the meeting about the AFS figures for the year ending June 30th 2018.

Income exceeded the budgeted income by R 145 450 as a result of:

- 1) The refund of the Bad debt provision by the City Council of R89 128 (2017: R53 810). The refund of the Bad debt provision is due to the ZAPO members being sufficiently disciplined payers that the actual arrears at year end were less than the bad debt provision. The City Council reimbursed ZAPO with 75% of the favourable balance. These funds will be placed in the company's reserves.
- 2) Interest of R42 334 (2017: R35 734) earned on the replacement fund account established for the future replacement of the fence components.

Operating expenses were controlled closely being only R13, 988 (2017: R11 031) or 1% below budget. Repairs and maintenance on the fence were within budget throughout the year however R25k was transferred from the capital to the repairs and maintenance budget at the end of year leading to an over budget position of R15 806. This is a very difficult area to predict accurately due to events like trees falling on the fence not being predictable. Having said that we are getting better every year and over compensate in more predictable lines of the budget to ensure the overall budget is always covered. In 2017/18 this spend was more than offset by various immaterial savings against budget across the rest of the expense lines.

Cash inflow for the year therefore was R251 351 (2017: R247 362). ZAPO will not be taxed on the profit as it is a registered PBO and was granted tax exemption status by SARS.

The bank balance of R1 027 745 (2017: R776 394) as at 30 June 2018 includes the fence replacement sinking fund R827 745 (2017: R576 394) mainly due to the deference of the expenditure Capital.

Zwaanswyk Association of Property Owners (ZAPO)

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The operating reserve will include the September 2018 refund of the bad debt provision from the City Council of R118 448 excl VAT (2017: R89 128).

There was an amount of around R 30 000 spent on the fence this year which came out of the Capital budget of R200 000. We spent R130 000 of this budget on the raised intersection at the 4 way stop in Zwaanswyk as confirmed at the July SGM.

The remaining capital budget has been moved forward to 2018/19 and will be needed for capital replacement work on the fence during 2018/19.

AG explained that our financial year runs from June to June every year.

6. RESOLUTION NUMBER 1

NOTING THE AUDITED ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30TH JUNE 2017

No questions were raised by the meeting regarding the AFS.

Resolution No 1 was proposed by Grant Chapman and seconded by John Green and Supported unanimously.

7. RESOLUTION NUMBER 2

TO APPROVE THE ADDITIONAL CAPITAL EXPENDITURE ON REPLACEMENT OF THOSE SECTIONS OF THE EXISTING FENCE WHICH ARE SHOWING SIGNS OF FATIGUE AND DETERIORATION AT THE TOTAL COST OF R 200 000.00 EXCL VAT and R 150 000.00 FOR UPGRADE / NEW CAMERAS, WHICH IS TO BE FUNDED WHOLLY OUT OF COMPANY RESERVES, YEAR 2017/2018

Supported unanimously.

8. RESOLUTION NUMBER 3

TO RECEIVE AND APPROVE THE BUDGET FOR FINANCIAL YEAR 2018/2019

The proposed budget for 2019/2020 is R1, 604,255. This includes R350 000 of capital expenditure for the fence. The remaining operating expenditure of R1 254 255 is 5.5% greater than the 2019/2020 budget approved in the 5 year business plan and 7% greater than the current year's approved budget (2018/2019).

AG advised that our biggest cost every year is Security which is around R 770 000. The fence repairs and maintenance, insurance etc. will be just short of R 300 000 and running costs R 150 000. Which we have every year come under budget.

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As per City guidelines, we continue to maintain the bad debt provision at 3% of revenue for the year. We would expect to receive a significant part of this provision back at the end of the year from the City. This is because typically our residents are timely payers of their improvement district bills due to the City. If arrears grow then we will not receive these additional funds.

Resolution No 3 was proposed by Andrew Glendinning and seconded by Eric Jansen and Supported unanimously.

9. RESOLUTION NUMBER 4

TO RECEIVE AND ADOPT THE AUDITED ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30TH JUNE 2017

No questions were raised by the meeting.

Resolution No 4 was proposed by Philip Lambrecht and seconded by William Spöhr and Supported unanimously.

10. RESOLUTION NUMBER 5

TO RECEIVE AND APPROVE IMPLEMENTATION PLAN FOR THE FINANCIAL YEAR 2018/2019

The Chairman explained to the floor that the implantation plan basically described the function of the board, the Implementation plan was well written with the help of the City who go through the plan with us.

Resolution No 5 was proposed by Phil Lambrecht and seconded by William Spöhr and Supported unanimously.

11. RESOLUTION NUMBER 6.

TO RE-APPOINT VALENTINE SARGEANT AS AUDITORS FOR THE FINANCIAL YEAR 2017/2018 AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

AG stated that Valentine Sargeant have undertaken their duties in an efficient and timeous manner and completed the audit with no queries or concerns. The acting Chairman recommended re-appointing Valentine Sargeant as the company auditor for 2019 financial year.

Resolution No 6 was proposed by Andrew Glendinning and seconded by William Spöhr and Supported unanimously.

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12. RESOLUTION NUMBER 7.

CONFIRMATION OF COMPANY SECRETARY

The Chairman advised that the present company secretary Nick Harris has served on this board since it was started.

The Chairman asked the floor who would like to propose Nick Harris as Company Secretary this coming year.

Resolution No 7 was proposed by Robbie Taylor and seconded by Grant Chapman and Supported unanimously.

13. RESOLUTION NUMBER 8

ELECTION AND RE-ELECTION OF DIRECTORS

- (1) ROBBIE TAYLOR (re—election)
- (2) ANDREW GLENDINNING (re-election)
- (3) ERIC JANSEN (re-election)

The chairman explained to the meeting that there has to a rotation of one third of the board every year and this year Robbie Taylor, Andrew Glendinning and Eric Jansen would be resigning and were up for re-election.

The Chairman asked the meeting to accept Robbie Taylor, Andrew Glendinning and Eric Jansen for re-election and vote by show of hands.

Resolution 8 was proposed by John Green and seconded by Michael McMahon voted in favor -- Supported unanimously.

14. GENERAL

a. Premier Security Arrangements

MM recommended that there be a solution for the Security guards ablutions and perhaps a hut for them to be able to charge their phones, eat etc. instead of sitting in their cars.

PL advised that they are now using New Court ablutions which solves the problem of the Security guards having to leave Zwaanswyk area to go to the garage in Tokai. JG advised that according to the City we are not allowed to put a hut up and the hut at the bottom of Zwaanwyk Road is primarily a Baboon hut.

Eddie Scott recommended that we look into the trailers that are been used by Vredeloof and Brackenfell SRA's as an alternative and John Green suggested that we make a contribution to New Court for the security guards using the ablutions there.

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Eric Jansen suggested that a meter be put where the Security guards can access it for charging of cell phones etc.

b. Traffic Calming

RS commented that the raised intersection is causing drivers from above Charnwood to go straight through and not stopping at the stop street. MM praised the raised intersection that it had curbed the taxi problems Zwaanswyk has had previously.

RT advised the meeting any problems with drivers on Zwaanswyk Road should be reported to the traffic police or ask them to set up a trap etc.

We decided pragmatically in the interest of the community that we would see how the raised intersection effects the traffic problems on Zwaanswyk Road and then let see what solutions we still require down the line, speed bumps another raised intersection etc. there are a few rules that have to be adhered too before any decision be made but welcomes any suggestion from the residents.

c. Fire risk

NH voiced his concern if there was another fire like in 2015, is there meaningful discussions between Zapo, Steenberg and one of the residents regarding the clearing of debris as this is causing a major fire hazard and firebreaks on SANParks. AG advised that there has been no specific meetings regarding this matter and responded that this needs to be addressed also with the help of residents. RT suggested that because it is not in Zapo mandate we would totally support a volunteer to start discussions with the different parties regarding fire hazards. NH volunteered which the meeting agreed. RT advised that he would let the residents know that NH is working on this situation and to contact him.

The chairman thanked the representative from the City, Eddie Scott— as well as the residents who attended the meeting and the board for all their hard work.

The meeting closed at 19.50pm