

TO: The Members of Cowies Hill Estate (NPC)  
FROM: The CHE Board of Directors  
DATE: 26 June 2023

## BUDGET PROPOSAL 2023/24

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### OPEX:

The budget will deliver an **operational surplus of R93,228** for the forecast 12 months ending 30 June 2024. It is planned that this surplus be invested in Capex (see below). The budgeted surplus will be delivered assuming the following:

### INCOME

The proposed budget sets a target of R5.9m income (2022 budget was R5.5m) for the y/e June 2024 (a 7% increase) which assumes:

- Regular donations from a major sponsor in the past are repeated;
- Static level of financial assistance given.

### EXPENSE

An expense budget of R5.8m (2022 R5.2m) for the y/e June 2024, a 7% increase compared to actual y/e 30 June 2023 and assumes:

- Security Service provide cost increases by no more than 7% with effect 1 October 2023;
- CHE App subscription cost and donation of the container for our Buckingham Road continue to be at nil cost;
- Security maintenance costs are increased from R304k to R406k (R102k increase) to allow for replacement of key equipment items. This includes the purchase of the equipment parts, the technical labour to install and the administration involved.

### CAPEX:

Capex proposed is R90k for Security, split R60k for additional technology and R30k for Crisis Management.

### CASH RESERVE:

It is noted that the cash reserve of R120k will not be able to be increased should this budget be executed as planned; the Board would like to explore options to increase income in order that the cash reserve be increased to a minimum level of R480k being one month's average overhead expense amount.

### ANNUAL FINANCIAL STATEMENTS:

The financials for the y/e 30 June 2023 are in the process of being compiled and audited. These will be presented at the AGM later this year.

On behalf of the Board,  
Brett Scheepers, 26 July 2023

# APPENDIX A

## OPEX AND CAPEX SUMMARY

OPERATIONAL EXPENDITURE BUDGET Y/E 30 JUNE 2024																		
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	Change	ACTUAL (AUDIT PENDING) FY 22/23	Change
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY 23/24	FY 22/23		FY 22/23		
<b>Total Fee Income</b>	439,400	486,580	486,580	486,580	559,445	486,580	486,580	486,580	486,580	486,580	486,580	486,580	5,864,645	5,451,440	8%	5,460,661	7%	
<b>Other Income</b>																		
Income: Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	18,500	-100%	
Income: Interest	500	500	500	500	500	500	500	500	500	500	500	500	6,000	2,160	178%	2,482	142%	
<b>Total Other Income</b>	500	500	500	500	500	500	500	500	500	500	500	500	6,000	2,160		20,982	-71%	
<b>Expenses</b>																		
Estate Management	22,416	22,416	22,416	22,416	22,416	22,416	22,416	22,416	22,416	22,416	22,416	22,416	268,992	261,780	3%	252,927	6%	
Administration and Accounting	29,563	29,563	29,563	37,831	29,563	29,563	29,737	29,737	29,737	29,737	29,737	29,737	364,071	331,001	10%	338,646	8%	
Communications and Marketing	16,285	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	151,145	147,442	3%	122,135	24%	
Greening and Infrastructure	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	294,000	229,996	28%	330,716	-11%	
Security Manpower and Vehicles	374,885	374,885	374,885	395,349	395,349	395,349	397,168	397,168	397,168	397,168	397,168	397,168	4,693,709	4,258,267	10%	4,330,753	8%	
<b>Total for Expenses</b>	467,650	463,625	463,625	492,356	484,088	484,088	486,081	486,081	486,081	486,081	486,081	486,081	5,771,917	5,228,486	10%	5,375,177	7%	
<b>Surplus / (deficit) before depreciation</b>	(27,750)	22,955	22,955	(5,776)	75,357	2,492	499	499	499	499	499	499	93,228	222,954		106,466		

# APPENDIX B

## DETAIL FOR INCOME, ESTATE MGT AND ADMIN

	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	Change	ACTUAL (AUDIT PENDING) FY 22/23	Change	
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY 23/24	FY 22/23					
<b>Fee Income</b>																			
Total Monthly Contributions (net of discounts)	R439,000	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	R486,180	5,786,980	5,392,680	7%	5,363,922	8%		
Income: Admin Fees (Unpaid D/O, Letters)	400	400	400	400	400	400	400	400	400	400	400	400	4,800	3,600	33%	6,000	-20%		
Income: Refuse Bins	-	-	-	-	16,865	-	-	-	-	-	-	-	16,865	-	0%	16,865	0%		Adhoc in nature
Income: General Donations	-	-	-	-	56,000	-	-	-	-	-	-	-	56,000	53,000	6%	73,874	-24%		Adhoc in nature
<b>Total Fee Income</b>	<b>439,400</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>559,445</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>486,580</b>	<b>5,864,645</b>	<b>5,451,440</b>	<b>8%</b>	<b>5,460,661</b>	<b>7%</b>		
<b>Other Income</b>																			
Income: Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	18,500	-100%		No budget set
Income: Interest	500	500	500	500	500	500	500	500	500	500	500	500	6,000	2,160	178%	2,482	142%		Funds invested in Money Mkt
<b>Total Other Income</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>6,000</b>	<b>2,160</b>		<b>20,982</b>	<b>-71%</b>		
<b>Expenses</b>																			
<b>Estate Management</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>22,416</b>	<b>268,992</b>	<b>261,780</b>	<b>3%</b>	<b>252,927</b>	<b>6%</b>		
Admin - Estate Management	15,916	15,916	15,916	15,916	15,916	15,916	15,916	15,916	15,916	15,916	15,916	15,916	190,992	180,180	6%	165,121	16%		As per actual average, + 6%
Admin - Computer Expenses	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,000	0%	19,447	-69%		per actual
Admin - Estate Mgt Office and Telephone	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	75,600	-5%	68,359	5%		6% increase in rent and utils
<b>Administration and Accounting</b>	<b>29,563</b>	<b>29,563</b>	<b>29,563</b>	<b>37,831</b>	<b>29,563</b>	<b>29,563</b>	<b>29,737</b>	<b>29,737</b>	<b>29,737</b>	<b>29,737</b>	<b>29,737</b>	<b>29,737</b>	<b>364,071</b>	<b>331,001</b>	<b>10%</b>	<b>338,646</b>	<b>8%</b>		
Bad Debt	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	13,800	13,334	3%	7,840	76%		budget level retained
Admin - Bookkeeping & Fin Mgmt Fees	10,471	10,471	10,471	10,471	10,471	10,471	10,471	10,471	10,471	10,471	10,471	10,471	125,648	118,541	6%	119,390	5%		Bright Marble Acc - 6% incr on budg
Admin - Membership and General Administration	10,596	10,596	10,596	10,596	10,596	10,596	10,596	10,596	10,596	10,596	10,596	10,596	127,149	119,952	6%	118,940	7%		Bright Marble Acc - 6% incr on budg
Admin - Company Secretarial	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	13,400	34%	18,306	-2%		per actual
Admin - Audit Fees	-	-	-	8,268	-	-	-	-	-	-	-	-	8,268	7,800	6%	8,079	2%		6% increase
Bank Charges	3,674	3,674	3,674	3,674	3,674	3,674	3,674	3,674	3,674	3,674	3,674	3,674	44,087	33,600	31%	41,114	7%		increased to actual
Insurance	2,173	2,173	2,173	2,173	2,173	2,173	2,347	2,347	2,347	2,347	2,347	2,347	27,119	24,373	11%	24,977	9%		6% increase

# APPENDIX C

## DETAIL FOR COMMS, GREENING, SECURITY

	BUDGET												BUDGET	BUDGET	Change	ACTUAL (AUDIT PENDING)	Change	
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY 23/24	FY 22/23		FY 22/23		
<b>Communications and Marketing</b>	16,285	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	12,260	151,145	147,442	3%	122,135	24%	
Community App	4,025	-	-	-	-	-	-	-	-	-	-	-	4,025	50,313	-92%	44,275	-91%	Replaced with Whatsapp
Marketing and Communications	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	133,200	84,000	59%	52,949	152%	per divisional plan
Estate Management support	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	13,920	13,129	6%	24,911	-44%	As per actual average, + 6%
<b>Greening and Infrastructure</b>	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	294,000	229,996	28%	330,716	-11%	
Area Greening - General	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	264,000	175,980	50%	294,839	-10%	per divisional plan
Estate Management support	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	54,016	-44%	35,877	-16%	per actual Apr and May 23
<b>Security Manpower and Vehicles</b>	374,885	374,885	374,885	395,349	395,349	395,349	397,168	397,168	397,168	397,168	397,168	397,168	4,693,709	4,258,267	10%	4,330,753	8%	
<b>Total for Expenses</b>	467,650	463,625	463,625	492,356	484,088	484,088	486,081	486,081	486,081	486,081	486,081	486,081	5,771,917	5,228,486	10%	5,375,177	7%	
<b>Surplus / (deficit) before depreciation</b>	(27,750)	22,955	22,955	(5,776)	75,357	2,492	499	499	499	499	499	499	93,228	222,954		106,466		

## APPENDIX D DETAIL FOR CAPEX

CAPITAL EXPENDITURE BUDGET Y/E 30 JUNE 2024		
	BUDGET FY 23/24	BUDGET FY 22/23
<b>Security Portfolio</b>	<b>90,000</b>	<b>128,000</b>
Additional Equipment	60,000	28,000
Crisis Management Hardware	30,000	100,000
<b>Greening</b>	<b>-</b>	<b>94,374</b>
Conservancy Parks	-	19,384
Beautification Sites	-	64,240
Municipal Facilities & Parks	-	10,750
	<b>90,000</b>	<b>222,374</b>

# APPENDIX E

<b>Cowies Hill Estate (NPC)</b>						
<b>OPERATIONAL EXPENDITURE BUDGET Y/E 30 JUNE 2024</b>						
	BUDGET FY 23/24	BUDGET FY 22/23	Change	ACTUAL (AUDIT PENDING) FY 22/23	Change	
<b>Fee Income</b>						
Total Monthly Contributions (net of discounts)	5,786,980	5,392,680	7%	5,363,922	8%	
Income: Admin Fees (Unpaid D/O, Letters)	4,800	3,600	33%	6,000	-20%	
Income: Refuse Bins	16,865	-	0%	16,865	0%	Adhoc in nature
Income: General Donations	56,000	53,000	6%	73,874	-24%	Adhoc in nature
<b>Total Fee Income</b>	<b>5,864,645</b>	<b>5,451,440</b>	<b>8%</b>	<b>5,460,661</b>	<b>7%</b>	
<b>Other Income</b>						
Income: Insurance proceeds	-	-	0%	18,500	-100%	No budget set
Income: Interest	6,000	2,160	178%	2,482	142%	Funds invested in Money Mkt
<b>Total Other Income</b>	<b>6,000</b>	<b>2,160</b>		<b>20,982</b>	<b>-71%</b>	
<b>Expenses</b>						
<b>Estate Management</b>	<b>268,992</b>	<b>261,780</b>	<b>3%</b>	<b>252,927</b>	<b>6%</b>	
Admin - Estate Management	190,992	180,180	6%	165,121	16%	As per actual average, + 6%
Admin - Computer Expenses	6,000	6,000	0%	19,447	-69%	per actual
Admin - Estate Mgt Office and Telephone	72,000	75,600	-5%	68,359	5%	6% increase in rent and utils
<b>Administration and Accounting</b>	<b>364,071</b>	<b>331,001</b>	<b>10%</b>	<b>338,646</b>	<b>8%</b>	
Bad Debt	13,800	13,334	3%	7,840	76%	budget level retained
Admin - Bookkeeping & Fin Mgmt Fees	125,648	118,541	6%	119,390	5%	Bright Marble Acc - 6% incr on budg
Admin - Membership and General Administration	127,149	119,952	6%	118,940	7%	Bright Marble Acc - 6% incr on budg
Admin - Company Secretarial	18,000	13,400	34%	18,306	-2%	per actual
Admin - Audit Fees	8,268	7,800	6%	8,079	2%	6% increase
Bank Charges	44,087	33,600	31%	41,114	7%	increased to actual
Insurance	27,119	24,373	11%	24,977	9%	6% increase
<b>Communications and Marketing</b>	<b>151,145</b>	<b>147,442</b>	<b>3%</b>	<b>122,135</b>	<b>24%</b>	
Community App	4,025	50,313	-92%	44,275	-91%	Replaced with Whatsapp
Marketing and Communications	133,200	84,000	59%	52,949	152%	per divisional plan
Estate Management support	13,920	13,129	6%	24,911	-44%	As per actual average, + 6%
<b>Greening and Infrastructure</b>	<b>294,000</b>	<b>229,996</b>	<b>28%</b>	<b>330,716</b>	<b>-11%</b>	
Area Greening - General	264,000	175,980	50%	294,839	-10%	per divisional plan
Estate Management support	30,000	54,016	-44%	35,877	-16%	per actual Apr and May 23
<b>Security Manpower and Vehicles</b>	<b>4,693,709</b>	<b>4,258,267</b>	<b>10%</b>	<b>4,330,753</b>	<b>8%</b>	
<b>Armed Response Services</b>						
Manpower - Blue x2 Vehicles	3,692,236	3,422,400	8%	3,440,010	7%	7% increase assumed 24/23
Buckingham Guard Hut rental	-	34,224	-100%	5,854	-100%	Container loaned from Container conversions at no cost.
Buckingham Guard Hut facilities	44,808	39,000	15%	42,467	6%	6% increase assumed 24/23
Security SLA Monitoring	240,000	216,000	11%	245,791	-2%	IDME consultants. Pricing agreed 24/23
<b>Equipment Maintenance</b>						
Technology Team	60,000	41,400	45%	43,056	39%	Blue Security retainer for labour. Equipment is now 3 yrs old and needs more maintenance
Hardware Spares	180,000	96,000	88%	97,946	84%	Spares for CCTV sites and replacement of inverter batteries at hubs. 22/23 over spent as equipment is now 3 years old and needing more attention / support
Estate Management support	166,772	122,803	36%	163,347	2%	
Crisis Management Resources	-	18,000	0%	8,825	-100%	No budget set
<b>Connectivity</b>						
Snipr Interface	115,133	111,780	3%	111,780	3%	6% increase assumed 24/23
Internet	148,320	120,660	23%	131,621	13%	migrate add'l sites to FTTB
SLC - Electricity for CCTV sites	46,440	36,000	29%	40,056	16%	15% increase assumed 24/23
<b>Total for Expenses</b>	<b>5,771,917</b>	<b>5,228,486</b>	<b>10%</b>	<b>5,375,177</b>	<b>7%</b>	
<b>Surplus / (deficit) before depreciation</b>	<b>93,228</b>	<b>222,954</b>		<b>106,466</b>		