

## REPORT OF THE HONORARY TREASURER TO THE 72<sup>nd</sup> ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN ROAD FEDERATION, HELD AT CAPE TOWN, 17 NOVEMBER 2022

### 1. INTRODUCTION

It is with pleasure that this report is submitted to the **SARF AGM 2022** for the reporting period 01 August 2021 to 31 July 2022. Included in the report is the proposed Annual Budget for 2022/2023 for consideration and approval by the AGM.

### 2. MANAGEMENT REPORT AND FINANCIAL STATEMENTS

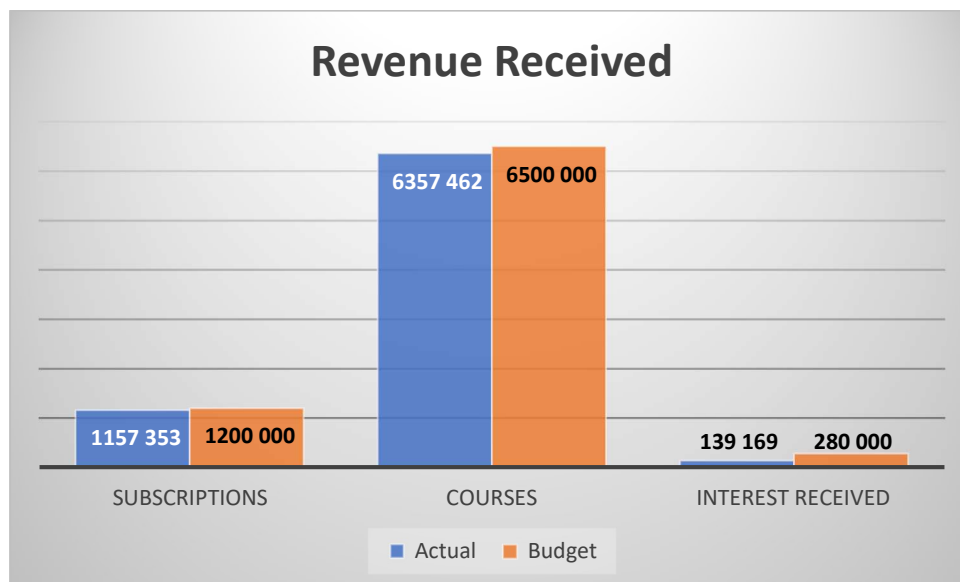
The monthly Financial Management Reports were reviewed by the Treasurer for variances from the budget of key items. The Treasurer has given feedback and made recommendations to the Executive, Council, and Head Office staff for the necessary actions where applicable.

A financial audit was undertaken by appointed auditors, Dalia Consulting, for the reporting period. Dalia has provided the report entitled "Annual Financial Statements for the year ended 31 July 2022. Dalia expressed the opinion that the Annual Financial Statements present fairly, and in all material respects, the financial position of the South African Road Federation, Not for Profit Company as of 31 July 2022, as a going concern.

### 3. OVERVIEW

With reference to the attached Annual Financial Statement, particularly page 8, the following overview is presented:

#### A. Revenue: Courses, Subscriptions, and other income

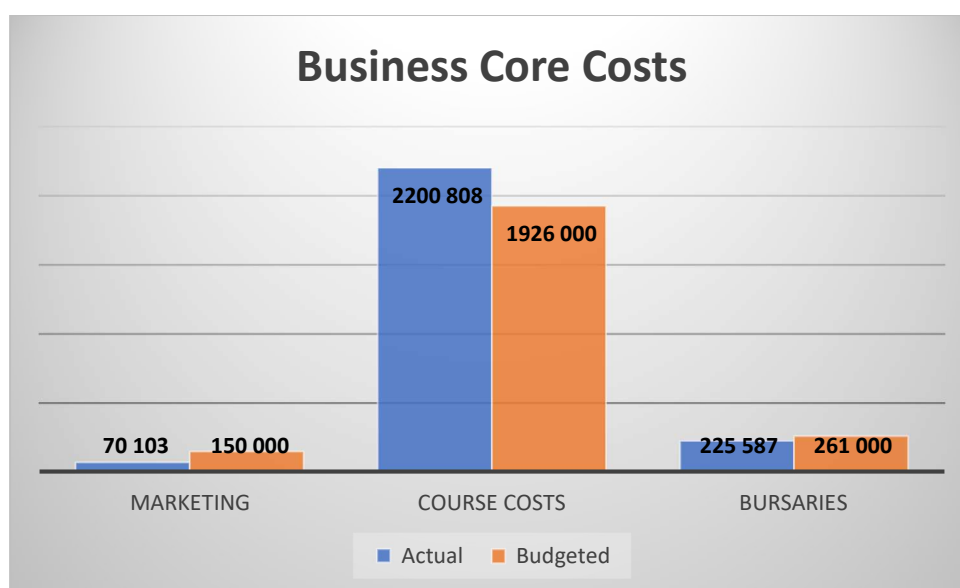


The Course Revenue generated was **R 6 357 462**, which is **98%** of the Annual Budget of **R 6 500 000**.

- i. Subscriptions collected were **R 1 157 353** which is **96%** of the budgeted amount of **R 1 200 000**

- ii. Interest received was **R 139 169**, achieving **50%** of the Budgeted amount of **R 280 000**.
- iii. Other Income received was **R 157 209**.
- iv. The Total Revenue received was **R 7 811 193**, which is **98%** of the Annual Budget of **R 7 980 000**.

## B. Core Business Operations (Courses, Marketing, and Other Costs)



### i) Core Business Operations /Cost of Sales (Including Course Costs)

The total Cost of Sales amounts to **R 2 314 273**, including course costs. The total cost of sales was higher than the Annual Budget of **R 1 926 000**, at **120%** of the budgeted amount.

### ii) Total Expenditure (Core Business Operations Plus Operating Expenses)

The Total Expenditure was **R 7 661 592** which is **96%** of the Annual Total Expenditure Budget of **R 7 970 100**.

### iii) Administration Costs (Personnel, Audits, Consultants, Administration, and Rentals)

- a) The Total Administration costs are **R 5 160 094** at **92%** of the **R 5 633 100** Annual Budget amount.
- b) Salaries and Wages costs at **R 3 344 570**, **93%** of the Annual Budget of **R 3 600 000**.
- c) Regional Coordinators' costs at **R 507 420**, which is **99%** of the **R 510 000** Annual Budget.

### C. Total Surplus (Revenue less Direct and Admin Expenses)

- i) The Total YTD Surplus is an amount of **R 43 953**.

## 4. CONCLUSIONS AND RECOMMENDATIONS.

### A. Conclusions:

SARF reports a total Surplus of **R 43 953**.

### B. Recommendations:

A special mention to the team at the HO, who have been working tirelessly for the past 12 months, around the clock, to agitate for more enrolments, and when it looked like we will have fewer numbers enrolled, more effort was put in, and we stand proud of the collective effort in canvassing and presenting more skills program in the past 5 months.

We are looking forward to more hard work, dedication, and teamwork from the HO Staff.

Basil, Jabu, Dianne, and the head office team are thanked for the diligence applied to managing the financials and containment of expenses.

## 5. PROPOSED ANNUAL BUDGET FOR 2022/23

The proposed **2022/2023** Annual Budget has been prepared using the revenue and expenditure of **2021/2022** as the base and in consultation with the EXCO and the Financial Committee, the **2022/2023** budget also, where possible, has reference links to the adopted Business Plan. Refer to the attached Budget Schedule.

The proposed Annual Budget for **2022/23** was presented at the recent Council meeting on 20 August 2022.

The following **2021/22** and **2022/23** Annual Budget comparisons are presented for clarification:

Total Revenue	Revenue Budget	2021/22	R 7 980 000
	Revenue Actual	2021/22	R 7 814 810
	<b>Revenue Budget for</b>	<b>2022/23</b>	<b>R 8 420 000</b>
Direct Expenses (Core Business Operations)	Cost of Sales Budget	2021/22	R 2 337 000
	Cost of Sales Actual	2021/22	R 2 609 963
	<b>Cost of Sales Budget</b>	<b>2022/23</b>	<b>R 2 420 000</b>

Operating/Administration Expenses (Including Salaries and Wages)	Operating Expenses Budget	2021/22	R 5 633 100
	Operating Expenses Actual	2021/22	R 5 160 894
	<b>Operating Expenses Budget</b>	<b>2022/23</b>	<b>R 5 674 100</b>
Total Expenditure	Total Expenses Budget	2021/22	R 7 970 100
	Total Expenses Actual	2021/22	R 7 770 857
	<b>Total Expenses Budget</b>	<b>2022/23</b>	<b>R 8 391 490</b>
Comprehensive Income (Total Revenue less Total Expenses)	Revenue less Expenses Budget	2021/22	R 9 900
	Revenue less Expenses Actual	2021/22	R 43 953
	<b>Revenue less Expense Budget for 2022/23</b>		<b>R 28 510</b>

## 7. RECOMMENDATIONS

The Honorary Treasurer submits the proposed Annual Budget for 2022/23 to the AGM of SARF for approval.