

HERMANUS PUBLIC PROTECTION (HPP)

The HPP NPC is the Management Body of the Hermanus Special Rating Area (HSRA)
Non-Profit Company (NPC) | Registration Number 1999/015007/08
Website: www.hpp.org.za Email: info@hpp.org.za Mail: P.O Box 1599, Hermanus 7200

<u>HERMANUS SRA BUDGET 2025 / 2026</u>		Notes:
	2025/26	
KEY ASSUMPTIONS USED		
Annual levy increase	5.0%	1
Annual cost inflation (other than ADT)	6.0%	2
ADT annual increase	1.0%	3
Bad debt provision recovery (percentage of prior year's retention)	75.0%	4
Interest received on 2 months levies held in reserve	6.0%	5
OPERATING INCOME AND EXPENSES		
INCOME		
Levies received	11,137,350	
Less Retention for Bad Debt (10%)	(1,113,735)	
Rate - HSRA	10,023,615	
Retention Rebate Recovered	795,525	
Other income		
Donations, insurance claim, other		
Interest	111,374	
Total Income	10,930,514	
EXPENDITURE		
HSRA ADMINISTRATION		
HPP EO consulting fee	628,833	
Administrator / Consultancy / Legal Fees	7,818	
Insurance	64,607	
Accounting Fees	37,360	
Bank Charges	4,172	
Auditor / Secretarial Fees	12,921	
Control Room Property Rental	254,400	
Incident Desk - Online Reporting	87,641	
Subscriptions (LPRs, email, website)	81,188	
Control Room Maintenance	42,400	
Expenses (meetings, AGM, staff refreshments)	34,450	
HSRA Term Extension		
Marketing and Communications	15,290	
Repairs and other charges	57,623	
Telephone (Fixed lines & VOIP)	26,726	
Sub-Total	1,355,428	
PROJECTS		
Public Safety & Monitoring		
Public Safety & Crime Prevention Management (Public Safety Officers, Response Vehicles, CCTV Monitoring) (Technical Support and Maintenance)	8,362,800	
CCTV Analytics Software Licences	21,200	
Public Safety related Social Upliftment		
Toilet Rental Management	50,909	
Tactical Safety Equipment & Training	134,832	
Clean Environment		
Cleansing Management	664,976	
Cleansing & Environmental Projects	25,000	
Sub-Total	9,813,580	
AGGREGATE OPERATIONAL EXPENDITURE	11,169,008	
Operational Surplus / (Deficit) for the year	(238,495)	
CAPITAL EXPENDITURE		
CCTV Replacement and Expansion	200,000	
Control Room IT Infrastructure & Equipment	20,000	
	220,000	
CASH POSITION		
Opening Cash Balance (estimate)	2,909,081	
Surplus/(Deficit) for the year	(238,495)	
Movement in net current assets/liabilities		
Capital expenditure	(220,000)	
Closing cash balance	2,450,586	
Required Retained Balance (2 months levies received)	1,856,225	
Operational cash surplus	594,361	

Notes on assumptions:

- 1 Guidance received from Overstrand Municipality (same assumption used for previous 5 year term)
- 2 Slightly above current CPI of 5.2%. Future inflation rate difficult to accurately predict.
- 3 The annual increase in ADT's cost will consist of two variables namely an inflationary cost increase and a decrease in scope of services as available cash flow become constrained
- 4 Estimate based on past experience and SRA policy
- 5 Interest on cash investments based on estimated average attained in past years