

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Home Owners Association
Trustees	Ms D Nortje Ms J Wiese Ms C Swart Mr E Loo Ms L Loo
Registered Office	19A Bergvliet Road Bergvliet Cape Town 7945
Auditors	Craig Whittle Accounting Chartered Accountants (SA) Registered Auditors
Administrators and accountants	BACH Accountants and Management Consultants CC
Body Corporate registration number	SS379/2002
Bankers	First National Bank

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2023

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

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CRAIG WHITTLE ACCOUNTING

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Practice number : 901641

INDEPENDENT AUDITOR'S REPORT

To the members of De Tuin Home Owners Association

Report on the Financial Statements

We have audited the annual financial statements of De Tuin Home Owners Association that comprises the statement of financial position as at 28 February 2023 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 policies and other explanatory information, as set out on pages 5-11.

Trustees' Responsibility for the Financial Statements

The association's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

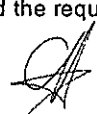
Our responsibility is to express a conclusion on the annual financial statements based on our audit. We conducted our audit in accordance with International Standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 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 financial statements present fairly, in all material respects the financial position of De Tuin Home Owners Association as at 28 February 2023, and its financial performance and cashflows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.



Craig Whittle Accounting
Chartered Accountants (SA)
Cape Town
5 June 2023

De Tuin Home Owners Association

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Trustees' Responsibilities and Approval

The trustees are required 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 home owners association at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

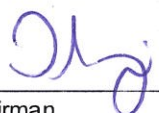
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the home owners association and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets 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 home owners association and all employees are required to maintain the highest ethical standards in ensuring the home owners association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the home owners association is on identifying, assessing, managing and monitoring all known forms of risk across the home owners association. While operating risk cannot be fully eliminated, the home owners association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the home owners association's cash flow forecast for the year to 28 February 2024 and, in the light of this review and the current financial position, they are satisfied that the home owners association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the home owners association's annual financial statements. The annual financial statements have been examined by the home owners association's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the trustees on 06/06/23 and were signed on its behalf by :


Chairman


Trustee

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2023

Statement of Financial Position

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	23,597	23,597
Current Assets			
Trade and other receivables	3	382,126	339,603
Cash and equivalents	4	698,740	738,055
		<u>1,080,866</u>	<u>1,077,658</u>
Total Assets		<u>1,104,463</u>	<u>1,101,255</u>
Equity and Liabilities			
Members' funds and reserves			
Accumulated surplus		<u>916,686</u>	<u>910,316</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	187,777	190,939
Total Equity and Liabilities		<u>1,104,463</u>	<u>1,101,255</u>

De Tuin Home Owners Association

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue			
Levies charged		549,120	549,120
		549,120	549,120
Other income			
Clearance fees		5,000	7,000
Building plans		150	2,500
De Tuin fund day income		1,980	-
Interest received	6	31,899	18,171
		39,029	27,671
Operating expenses			
Accounting fees		42,834	41,400
Advertising and promotions		-	800
Auditors remuneration	8	3,750	3,750
Assets under R 7,000 written off		6,958	-
Bank charges		2,463	1,940
Consulting fees		4,013	1,650
Courier and postage		273	-
De Tuin fund day expenses		8,265	-
Electricity		14,000	12,000
Garden services		90,277	83,291
Insurance		11,696	10,920
Legal fees		9,509	-
Motor vehicle expenses		1,000	1,000
Printing and stationery		1,150	-
Rates		11	13
Repairs and maintenance : general		39,862	-
Repairs and maintenance : Swimming pool		29,727	7,368
Security		299,930	280,350
Sewerage and refuse		6,242	13,181
Staff welfare		850	500
Subscriptions		3,441	127
Water		5,528	13,410
		581,779	471,700
Operating surplus		6,370	105,091
Finance costs		-	-
Surplus for the year		6,370	105,091

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Statement of Changes in Equity

Figures in Rand	Accumulated Surplus	Total Equity
Balance as at 1 March 2021	805,225	805,225
Changes in equity		
Total comprehensive income for the year	105,091	105,091
Total changes	105,091	105,091
Balance as at 28 February 2022	910,316	910,316
Changes in equity		
Total comprehensive income for the year	6,370	6,370
Total changes	6,370	6,370
Balance as at 28 February 2023	916,686	916,686

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Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash (utilised in)/generated by operating activities	9.1	(71,214)	104,528
Interest income		31,899	18,171
Net cash from operating activities		(39,315)	122,699
Cash flows from investing activities			
Acquisition of fixed assets		-	-
Net cash from investing activities		-	-
Total cash movement for the year		(39,315)	122,699
Cash and cash equivalents at beginning of year		738,055	615,356
Cash and cash equivalents at end of year	4	698,740	738,055

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1 Presentation of Annual Financial Statements

The annual financial statements are prepared in conformity with International Financial Reporting Standards. The 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 year.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that :

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes ; and
- are expected to be used during more than one period.

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 cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows :

Item	Average useful life
Fencing	6 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for levies.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Annual Financial Statements

Figures in Rand	2023			2022		
2 Property, plant and equipment						
	2023			2022		
	Cost/ valuation	Accumulated Depreciation	Carrying value	Cost/ valuation	Accumulated Depreciation	Carrying value
Land and buildings	23,596	-	23,596	23,596	-	23,596
Fencing	91,104	91,103	1	91,104	91,103	1
	114,700	91,103	23,597	114,700	91,103	23,597

Reconciliation of property, plant and equipment - 2023

	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Land and buildings	23,596	-	-	-	-	23,596
Fencing	1	-	-	-	-	1
	23,597	-	-	-	-	23,597

Reconciliation of property, plant and equipment - 2022

	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Land and buildings	23,596	-	-	-	-	23,596
Fencing	1	-	-	-	-	1
	23,597	-	-	-	-	23,597

3 Trade and other receivables

Outstanding levies	381,396	338,873
Deposits	730	730
	<u>382,126</u>	<u>339,603</u>

4 Cash and cash equivalents

Bank balances	69,412	181,907
Investment account	629,328	556,148
	<u>698,740</u>	<u>738,055</u>

5 Trade and other payables

Levies received in advance	183,040	183,040
Owners	500	500
Sundry creditors	487	486
Audit and accounting fees	3,750	6,913
	<u>187,777</u>	<u>190,939</u>

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Notes to the Annual Financial Statements

Figures in Rand		2023	2022
6	Investment revenue		
	Bank interest received	<u>31,899</u>	<u>18,171</u>
7	Taxation		
	No provision has been made for 2023 tax as the association has no taxable income.		
8	Auditor's remuneration		
	Fees	<u>3,750</u>	<u>3,750</u>
9	Note to the cash flow statement		
9.1	Reconciliation of net surplus to cash generated by operations		
	Net surplus	6,370	105,091
	Interest received	(31,899)	(18,171)
	Finance costs	-	-
	Working capital changes	(45,685)	17,608
	Trade and other receivables	(42,523)	14,446
	Trade and other payables	(3,162)	3,162
	Cash generated by operating activities	<u>(71,214)</u>	<u>104,528</u>