

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2022

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 Ms H Mostert
Registered Office	Suite 2D, Cape Gate Décor Centre Okavango Road Brackenfell 7561
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

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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

Postnet Suite #52, Private Bag X16, Constantia 7848 Tel : 076 456 3270
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 2022 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

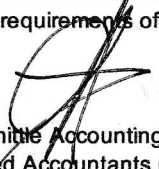
Our responsibility is to express a conclusion on the annual financial statements based on our audit. We conducted our audit in accordance with International Standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2022, 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
20 May 2022

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 2023 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 _____ and were signed on its behalf by :

Chairman

Trustee

De Tuin Home Owners Association

Annual Financial Statements for the year ended 28 February 2022

Statement of Financial Position

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	23 597	23 597
Current Assets			
Trade and other receivables	3	339 603	354 048
Cash and equivalents	4	738 055	615 356
		1 077 658	969 404
Total Assets		1 101 255	993 001
Equity and Liabilities			
Members' funds and reserves			
Accumulated surplus		910 316	805 225
Liabilities			
Current Liabilities			
Trade and other payables	5	190 939	187 776
Total Equity and Liabilities		1 101 255	993 001

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue			
Levies charged		549 120	549 120
		549 120	549 120
Other income			
Clearance fees		7 000	5 500
Building plans		2 500	1 500
Interest received	6	18 171	14 888
		27 671	21 888
Operating expenses			
Accounting fees		41 400	41 400
Advertising and promotions		800	1 670
Auditors remuneration	9	3 750	3 750
Assets under R 7,000 written off		-	16 648
Bank charges		1 940	2 243
Consulting fees		1 650	1 100
Electricity		12 000	10 993
Garden services		83 291	36 500
Insurance		10 920	10 216
Motor vehicle expenses		1 000	-
Rates		13	7
Repairs and maintenance : Swimming pool		7 368	5 918
Security		280 350	274 788
Sewerage and refuse		13 181	2 399
Staff welfare		500	-
Subscriptions		127	-
Water		13 410	1 671
		471 700	409 303
Operating surplus		105 091	161 705
Finance costs	7	-	-
Surplus for the year		105 091	161 705

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Statement of Changes in Equity

Figures in Rand	Accumulated Surplus	Total Equity
Balance as at 1 March 2020	643 520	643 520
Changes in equity		
Total comprehensive income for the year	161 705	161 705
Total changes	161 705	161 705
Balance as at 28 February 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

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated by operating activities	10.1	104 528	109 243
Interest income		18 171	14 888
Net cash from operating activities		122 699	124 131
Cash flows from investing activities			
Acquisition of fixed assets		-	-
Net cash from investing activities		-	-
Total cash movement for the year		122 699	124 131
Cash and cash equivalents at beginning of year		615 356	491 225
Cash and cash equivalents at end of year	4	738 055	615 356

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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	2022	2021
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2 Property, plant and equipment

	2022			2021		
	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 - 2022

	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 - 2021

	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	338 873	353 318
Deposits	730	730
	<u>339 603</u>	<u>354 048</u>

4 Cash and cash equivalents

Bank balances	181 907	196 144
Investment account	556 148	419 212
	<u>738 055</u>	<u>615 356</u>

5 Trade and other payables

Levies received in advance	183 040	183 040
Owners	500	500
Sundry creditors	486	486
Audit and accounting fees	6 913	3 750
	<u>190 939</u>	<u>187 776</u>

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Notes to the Annual Financial Statements

Figures in Rand		2022	2021
6	Investment revenue		
	Bank interest received	18 171	14 888
7	Finance costs		
	Municipality : City of Cape Town	-	-
8	Taxation		
	No provision has been made for 2022 tax as the association has no taxable income.		
9	Auditor's remuneration		
	Fees	3 750	3 750
10	Note to the cash flow statement		
10.1	Reconciliation of net surplus to cash generated by operations		
	Net surplus	105 091	161 705
	Interest received	(18 171)	(14 888)
	Finance costs	-	-
	Working capital changes	17 608	(37 574)
	Trade and other receivables	14 446	(18 835)
	Trade and other payables	3 162	(18 739)
	Cash generated by operating activities	104 528	109 243