

**DOUGLASDALE RETIREMENT VILLAGE HOME OWNERS ASSOCIATION NPC**  
**(Registration number 2004/018374/08)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2019**

# Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### **Preparer**

B N Jooste & Co  
Chartered Accountants (SA)

### **Published**

25 July 2019

## **Douglasdale Retirement Village Home Owners Association NPC**

Annual Financial Statements for the year ended 28 February 2019

### **Directors' Responsibilities and Approval**

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The directors are required by the Companies Act 71 of 2008, 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 association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the 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 directors 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the association's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board on 25 July 2019 and were signed on its behalf by:

#### **Approval of annual financial statements**

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*Director*

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*Director*



# KRUGER • STOLTZ

— INCORPORATED —  
Registered Chartered Accountants & Auditors

## Independent Auditor's Report

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To the members of Douglasdale Retirement Village Home Owners Association NPC

### Opinion

We have audited the annual financial statements of Douglasdale Retirement Village Home Owners Association NPC set out on pages 6 to 16, which comprise the statement of financial position as at 28 February 2019, and the Statement of Income and Accumulated Surplus, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Douglasdale Retirement Village Home Owners Association NPC as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Statutory records

Without qualifying our opinion, we draw attention to the fact that the statutory records were not inspected or verified.

### Other matters

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report**

### **Responsibilities of the directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Kruger Stoltz Inc**  
**Paul Kruger**  
**Partner**  
**Chartered Accountants (SA)**  
**Registered Auditors**  
**Practice No. 900738**

**25 July 2019**  
**Randburg**  
**37 Harley Street**  
**Randburg**  
**2194**  
**Tel: 086 123 2643**

# Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Douglasdale Retirement Village Home Owners Association NPC for the year ended 28 February 2019.

### 1. Nature of business

The main objective of the association is to manage the affairs of the complex to ensure acceptable environmental and living standards in the complex.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the association are set out in these annual financial statements.

### 3. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would materially affect the results presented herein.

### 4. Membership

The association is a non-profit company with members. Membership to the association is limited to anyone who, in terms of the Deeds Register Act, is reflected in the Deeds Office as a registered member of any erf within the complex.

### 5. Property, plant and equipment

Although the association controls the property, plant and equipment it needs in order to pursue its objectives these assets are owned jointly by the members. There was no change in the nature of the property, plant and equipment of the association or in the policy regarding their use.

### 6. Insurance and risk management

The association follows a policy of reviewing the risks relating to assets and possible liabilities arising from its activities with its insurers on an annual basis. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

### 7. Directors

The directors in office at the date of this report are as follows:

#### Directors

C De Villiers  
R Fraser  
B McCallum  
A McDonald  
G Snyman

### 8. Managing Agent

The managing agent of the association is CSI Property Management of:

**Postal address** P O Box 12135  
Hatfield  
Pretoria  
0028

**Business address** Hertford Office Park  
3rd Floor, Building F  
90 Bekker Street  
Midrand  
1685

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Statement of Financial Position as at 28 February 2019

Figures in Rand	Note(s)	2019	2018
<b>Assets</b>			
<b>Current Assets</b>			
Accounts receivable	2	578 968	424 554
Current tax receivable		13 191	264
Cash and cash equivalents	3	6 233 871	4 622 372
		<b>6 826 030</b>	<b>5 047 190</b>
<b>Total Assets</b>		<b>6 826 030</b>	<b>5 047 190</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Project Reserve	4	4 679 505	4 774 770
Accumulated surplus /(deficit)		504 258	(968 332)
		<b>5 183 763</b>	<b>3 806 438</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	5	466 864	195 878
Community activity funds	6	341 260	251 453
Levies received in advance		834 143	793 421
		<b>1 642 267</b>	<b>1 240 752</b>
<b>Total Equity and Liabilities</b>		<b>6 826 030</b>	<b>5 047 190</b>

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue	6	17 683 359	16 065 142
Other income	7	7 265	31 113
Operating expenses		(16 635 674)	(15 850 723)
<b>Operating surplus (deficit)</b>		<b>1 054 950</b>	<b>245 532</b>
Investment revenue	9	429 700	359 822
<b>Surplus before taxation</b>		<b>1 484 650</b>	<b>605 354</b>
Taxation	21	(107 325)	(89 816)
<b>Surplus for the year</b>		<b>1 377 325</b>	<b>515 538</b>

**Douglasdale Retirement Village Home Owners Association NPC**

Annual Financial Statements for the year ended 28 February 2019

**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Project reserve</b>	<b>Accumulated surplus /(deficit)</b>	<b>Total equity</b>
<b>Balance at 01 March 2017</b>	<b>4 559 808</b>	<b>(1 268 908)</b>	<b>3 290 900</b>
<b>Surplus</b>	<b>-</b>	<b>515 538</b>	<b>515 538</b>
Transfer between reserves	214 962	(214 962)	-
<b>Total changes</b>	<b>214 962</b>	<b>(214 962)</b>	<b>-</b>
<b>Balance at 01 March 2018</b>	<b>4 774 770</b>	<b>(968 332)</b>	<b>3 806 438</b>
<b>Surplus</b>	<b>-</b>	<b>1 377 325</b>	<b>1 377 325</b>
Transfer between reserves	(95 265)	95 265	-
<b>Total changes</b>	<b>(95 265)</b>	<b>95 265</b>	<b>-</b>
<b>Balance at 28 February 2019</b>	<b>4 679 505</b>	<b>504 258</b>	<b>5 183 763</b>
Note(s)	4		

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
Cash receipts from owners		17 552 656	15 924 303
Cash paid to suppliers and employees		(16 381 134)	(15 942 748)
Cash generated from (used in) operations	22	1 171 522	(18 445)
Interest income		429 700	359 822
Tax paid	23	(120 252)	(86 301)
<b>Net cash from operating activities</b>		<b>1 480 970</b>	<b>255 076</b>
<b>Total cash movement for the year</b>		<b>1 611 499</b>	<b>684 454</b>
Cash at the beginning of the year		4 622 372	3 937 918
<b>Total cash at end of the year</b>	3	<b>6 233 871</b>	<b>4 622 372</b>

# Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual 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 period.

#### 1.1 Common property

Consistent with preferred accounting for home owners associations, common areas are not capitalised. This property is commonly owned, cannot be detached from the development, cannot be sold and / or is not used by the association to generate income. Therefore, common property is not recognised in the annual financial statements.

#### 1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Accordingly property, plant and equipment that has little or no resale value is not recognized as an asset and is written off in the year that it is purchased. The cost of any other asset is written down to its residual value over the period of its useful life.

#### 1.3 Accounts receivable

Accounts receivable are recognised initially at the transaction value. They are subsequently measured at cost using the less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of twelve months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

#### 1.5 Reserves

The project reserve represents amounts that have been set aside at the directors discretion for the future refurbishment, renewal or improvement of communal property, plant and equipment.

#### 1.6 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.

##### Tax expenses

The entity is taxed on all income other than levies, in excess of R50 000 per annum, in terms of Section 10(1) (e) of the Income tax Act.

#### 1.7 Accounts payable

Accounts payable are recognised at the transaction value.

#### 1.8 Provisions and contingencies

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

## **Douglasdale Retirement Village Home Owners Association NPC**

Annual Financial Statements for the year ended 28 February 2019

### **Accounting Policies**

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#### **1.9 Revenue and other income**

Revenue and other income are measured at the fair value of the consideration received or receivable and represents the amounts receivable for levies and other income charged to the members of the entity. Revenue and other income are recorded in the annual financial statements when it becomes due and payable to the entity.

Interest is recognised, in profit or loss, using the effective interest rate method.

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>2. Accounts receivable</b>		
Levy debtors - late payments	113 538	35 593
Levy debtors - pending transfers /deceased estates	14 385	38 244
Levy debtors - legal owner 1	462 799	332 830
Levy debtors - legal owner 2	-	17 642
Provision for legal fees that may not be recoverable	(78 788)	-
Debt collection control	760	-
Prepaid expenses	59 499	245
Security clearance checks	6 775	-
	<b>578 968</b>	<b>424 554</b>
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Current account	1 332 039	1 445 551
Investment account	3 543 867	822 060
Investment account - 6 months fixed deposit	-	1 251 741
Investment account - 12 months fixed deposit	1 352 129	1 094 850
Cash on hand	5 836	8 170
	<b>6 233 871</b>	<b>4 622 372</b>
<b>4. Project reserve</b>		
The directors have full discretion to make transfers between the project reserve and retained surplus.		
Balance at beginning	4 774 770	4 559 808
Resale levies	1 712 944	1 740 375
Interest earned	359 997	316 264
Developers contribution towards maintenance	-	402 741
Project expenditure	(2 168 206)	(2 922 879)
Directors discretionary transfers from/ (to) retained surplus	-	678 461
	<b>4 679 505</b>	<b>4 774 770</b>
<b>5. Accounts payable</b>		
Audit fees	42 780	17 951
CSOS levies control account	55 370	145 865
Domestic effluent	123 880	-
Electricity	604	598
Garden	21 293	-
Insurance claims	7 844	-
Legal fees	-	1 357
Lift maintenance	-	11 507
Operator recoverables	76 274	-
Other	2 297	-
Pest control	4 484	-
Picket fence project	-	18 600
Repairs owing (balustrade)	36 311	-
Security contract	3 302	-
The Brand Machine	1 263	-
Water	91 162	-
	<b>466 864</b>	<b>195 878</b>

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>5. Accounts payable (continued)</b>		
The CSOS levies control accounts represents amounts collected from owners for CSOS levies in terms of the Community Schemes Ombud Services Act 9 of 2011. The CSOS levies will be paid over to Community Schemes Ombud Services once the association has received an invoice from them.		
<b>6. Community activity funds</b>		
Club51	42 030	-
Friday Social Club fund	23 667	26 550
Green fund	261 937	190 768
Knitting fund	9 716	9 717
Religion fund	3 910	5 889
Social Club fund	-	18 529
	<b>341 260</b>	<b>251 453</b>
Community activity funds represent cash held by the Association on behalf of community activity groups.		
<b>7. Levy income</b>		
Levies - standard	10 941 385	10 382 966
Levies - meals	2 800 000	2 640 000
Levies - midcare	415 000	-
Levies - parking	6 600	4 650
Levies - resale	1 712 944	1 740 375
Levies - salon	14 000	-
Levies - sewerage	1 425 045	1 254 619
Levies - storeroom	39 800	42 532
Levies - telephone line rental	208 777	-
Levies - water on demand	119 808	-
	<b>17 683 359</b>	<b>16 065 142</b>
<b>8. Sundry Income</b>		
Advertising	165	1 965
Functions	-	5 900
Miscellaneous	1 350	11 748
Resident fines	5 750	11 500
	<b>7 265</b>	<b>31 113</b>
<b>9. Interest income</b>		
Bank	359 997	325 355
Debtors	69 703	34 467
	<b>429 700</b>	<b>359 822</b>
<b>10. Audit and compilation fees</b>		
Fees	42 780	17 951
Adjustment for previous year	267	3 004
	<b>43 047</b>	<b>20 955</b>

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Notes to the Annual Financial Statements

<b>Figures in Rand</b>	<b>2019</b>	<b>2018</b>
<b>11. Domestic effluent</b>		
Sanitation expense	1 427 821	1 448 019
Movement in accrual and provision	-	(193 373)
	<b>1 427 821</b>	<b>1 254 646</b>
<b>12. Electricity</b>		
Electricity expense - Eskom	2 238 649	2 114 020
Electricity expense - Nedvendedor charges	221 044	196 080
Electricity expense - smart meter	7 240	6 584
Electricity recovered - operators	(201 823)	(249 561)
Electricity recovered	(2 249 169)	(2 153 741)
	<b>15 941</b>	<b>(86 618)</b>
<b>13. Facility management</b>		
Salaries and wages	1 724 405	1 645 094
Village nurse	353 010	299 362
	<b>2 077 415</b>	<b>1 944 456</b>
<b>14. Garden</b>		
Garden borehole	30 785	-
Garden expense	25 161	82 980
Garden plants	34 328	-
Garden recycling	85 146	-
Garden service	1 420 909	1 308 567
Garden tree felling	21 500	-
	<b>1 617 829</b>	<b>1 391 547</b>
<b>15. Motor vehicle expenses</b>		
Vehicle running costs	31 194	59 820
Hire of bus	(13 300)	(14 316)
	<b>17 894</b>	<b>45 504</b>
<b>16. Refuse</b>		
Refuse expense	-	1 500
Refuse recovered from operators	(18 783)	(19 329)
	<b>(18 783)</b>	<b>(17 829)</b>

# Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>17. Repairs and maintenance</b>		
Air conditioners	1 545	8 140
Building	548 809	725 529
Electrical	59 012	61 385
Fire equipment	51 137	66 733
Frail care	56 799	-
Generator	47 032	19 925
Infrastructure	74 406	10 368
Insurance claims	105 209	208 869
Insurance claims recovered	(97 889)	(181 760)
Kitchen	65 574	20 851
Lifts	146 157	146 095
Maintenance recovered from owners	(69 145)	(48 295)
Plumbing	75 216	2 954
Pool	5 452	1 010
Security maintenance and infrastructure	110 338	58 254
Solar geyser cost	104 288	-
Solar geyser recoveries	(99 060)	-
Tools	267	2 530
Thumblock recoveries	(59 500)	-
	<b>1 125 647</b>	<b>1 102 588</b>
<b>18. Security</b>		
Security access control	45 621	42 151
Security guarding service	2 134 661	1 976 954
Sale of access tags	(23 250)	(19 925)
	<b>2 157 032</b>	<b>1 999 180</b>
<b>19. Special projects</b>		
Entrance gates painting	-	45 885
Garden upgrades	59 506	97 942
Health and safety upgrades	61 270	-
Infrastructure upgrades	82 040	130 386
Kitchen frail care	202 334	148 293
Painting	114 621	-
Pedestrian bridge replacement	-	401 970
Picket fences	479 344	573 459
Projector / screen auditorium	-	44 431
Repairs - simplex roofs	177 521	200 489
Watercourse rehabilitation	991 570	1 280 024
	<b>2 168 206</b>	<b>2 922 879</b>
<b>20. Water</b>		
Water expense	693 247	449 230
Water recovered	(74 052)	(71 684)
	<b>619 195</b>	<b>377 546</b>

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>21. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
Income tax - current year	107 328	89 816
Income tax - prior period (over) under provision	(3)	-
	<u>107 325</u>	<u>89 816</u>
<p>All levy income from the members and the first R50,000 of all other income is tax exempt. A proportionate share of accounting, audit and bank charges are allowed as a deduction against the taxable income above R50,000.</p>		
<b>Tax calculation</b>		
The tax expense is calculated as follows:		
<b>Income subject to income tax</b>		
Interest income	429 700	359 822
Other	7 265	31 113
Less: Basic exemption	(50 000)	(50 000)
	<u>386 965</u>	<u>-</u>
<b>Less: attributable apportioned expenditure</b>		
Administration fees	-	(17 403)
Audit fees	(919)	(434)
Bank charges	(2 730)	(2 327)
	<u>383 316</u>	<u>320 771</u>
Tax at the applicable tax rate of 28%	<u>107 328</u>	<u>89 816</u>
<b>22. Cash generated from (used in) operations</b>		
Surplus before taxation	1 484 650	605 354
<b>Adjustments for:</b>		
Interest received	(429 700)	(359 822)
<b>Changes in working capital:</b>		
Accounts receivable	(154 414)	(171 952)
Accounts payable	270 986	(92 025)
	<u>1 171 522</u>	<u>(18 445)</u>
<b>23. Tax paid</b>		
Balance at beginning of the year	264	3 779
Current tax for the year recognised in profit or loss	(107 325)	(89 816)
Balance at end of the year	(13 191)	(264)
	<u>(120 252)</u>	<u>(86 301)</u>

## Douglasdale Retirement Village Home Owners Association NPC

Annual Financial Statements for the year ended 28 February 2019

### Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
<b>Revenue</b>			
Levy income	6	17 683 359	16 065 142
<b>Other income</b>			
Interest income	9	429 700	359 822
Sundry income	7	7 265	31 113
		<b>436 965</b>	<b>390 935</b>
<b>Operating expenses</b>			
Administration fees		840 000	840 000
Audit and compilation fees	10	43 047	20 955
Bank charges		127 843	112 326
Cleaning contract		666 089	624 607
Cleaning materials		-	20 577
Computer expenses		17 715	25 729
Consulting fees		21 390	82 083
DSTV subscriptions		21 356	13 605
Domestic effluent	10	1 427 821	1 254 646
Electricity	11	15 941	(86 618)
Entertainment / staff welfare		74 558	73 973
Facility management	12	2 077 415	1 944 456
Garden	13	1 617 829	1 391 547
General		4 720	2 280
Health and safety costs		89 923	21 442
Insurance		280 426	312 505
Kitchen operator contract		2 800 000	2 640 000
Legal expenses		82 008	4 116
Motor vehicle expenses	14	17 894	45 504
Pest control		32 860	28 896
Printing and stationery		62 227	59 837
Refuse	15	(18 783)	(17 829)
Repairs and maintenance	16	1 125 647	1 101 588
Security	17	2 157 032	1 999 180
Special Projects	18	2 168 206	2 922 879
Telephone		263 315	34 893
Water	19	619 195	377 546
		<b>16 635 674</b>	<b>15 850 723</b>
<b>Surplus before taxation</b>		<b>1 484 650</b>	<b>605 354</b>
Taxation	21	(107 325)	(89 816)
<b>Surplus for the year</b>		<b>1 377 325</b>	<b>515 538</b>