



Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements

for the year ended 28 February 2021

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Index

	Page
General Information	2
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 8
Report of the Compiler	9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 16
Notes to the Financial Statements	17 - 23
The supplementary information presented does not form part of the Financial Statements and is unaudited:	
Detailed Income Statement	24 - 25
Income Tax Computation	26

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2012/155534/08
Nature of Business and Principal Activities	Home Owners Association
Directors	AJ Mc Donald GJH Snyman CM de Villiers B Mc Callum L Strydom (co-opted) (Appointed 1 April 2020) (Deceased 30 December 2020) RM Fraser (Resigned 1 April 2020)
Registered Office	Hertford Office Park 3rd Floor, Building F 90 Bekker Street Midrand 1685
Business Address	Douglasdale Retirement Village 28 Galloway Ave Douglasdale Gauteng 2191
Postal Address	PO Box 12135 Hatfield Gauteng 0028
Level of Assurance	These financial statements have been audited.
Chartered Accountants CA(SA)	Enslin & Associates Chartered Accountants (SA) Block1 Boardwalk Office Park Eros Street Olympus 0042
Preparer	N and S Professional Accountants Block1 Boardwalk Office Park Eros Street Olympus 0042

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Directors' Responsibilities and Approval

The directors 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit company 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 non-profit company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 non-profit company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit company 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit company.



Director A J McDonald



Director

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Directors' Report

The directors present their report for the year ended 28 February 2021.

1. Review of financial results and activities

Main business and operations

The non-profit company Home Owners Association. There were no major changes herein during the year.

The non-profit company generated a surplus after tax for the year ended 28 February 2021 of R2,149,950 (2020: R1,055,456).

The non-profit company's revenue increased from R18,427,079 in the prior year to R19,464,151 for the year ended 28 February 2021.

Non-Profit Company cash flows from operating activities changed from an inflow of R1,405,720 in the prior year to an inflow of R1,490,548 for the year ended 28 February 2021.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the non-profit company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the non-profit company has sufficient resources to continue as a going concern.

3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit company.

4. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. Borrowing limitations

In terms of the Memorandum of Incorporation of the non-profit company, the directors may exercise all the powers of the non-profit company to borrow money, as they consider appropriate.

6. Directors

The directors of the non-profit company during the year and up to the date of this report are as follows:

AJ Mc Donald

GJH Snyman

CM de Villiers

B Mc Callum

L Strydom (co-opted) (Appointed 1 April 2020) (Deceased 30 December 2020)

RM Fraser (Resigned 1 April 2020)

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Directors' Report

7. Secretary

No secretary has been formally appointed during the current financial year.

8. Independent Auditors

Enslin & Associates Chartered Accountants (SA) were the independent auditors for the year under review.



Enslin & Associates Chartered Accountants SA

Practice number 962732

PO Box 100175
Moreleta Plaza
0167

Block1, Boardwalk Office Park
Eros Street, Olympus
Pretoria

Tel (012) 998 7960
Cell 083 269 2796
Fax 086 610 4740

Independent Auditor's Report

To the Member of Douglasdale Extension 156 Home Owners Association NPC

Opinion

We have audited the financial statements of Douglasdale Extension 156 Home Owners Association NPC set out on pages 10 to 23, which comprise the statement of financial position as at 28 February 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Douglasdale Extension 156 Home Owners Association NPC as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the non-profit company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Douglasdale Extension 156 Home Owners Association NPC Annual Financial Statements for the year ended 28 February 2021", which includes the Directors' Report, the statement of Directors' Responsibilities and Approval, and, which we obtained prior to the date of this report, and the supplementary information set out on pages 24 to 26. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the non-profit company'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 non-profit company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 non-profit company'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 non-profit company'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 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 non-profit company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Management Rules of the non-profit company as adopted in terms of Regulation 6 of the Sectional Titles Schemes Management Regulations, 2016, Rules 26(5)(c)(ii), (iii) and (iv), we report as follows:

Compliance findings with accounting requirements (Rule 26(5)(c)(ii))

The directors are responsible to ensure that the non-profit company complies with management rules 21, 24 and 26 adopted in terms of the Sectional Titles Schemes Management Regulations, 2016, including the implementation of systems, processes and internal control the directors determine are necessary in the circumstances.

If during the course of our audit of the financial statements of the non-profit company we become aware of any instances of non-compliance with the accounting requirements set out in management rules 21, 24 and 26, we are required to report our findings. We have nothing to report in this regard.

Management of the non-profit company's financial affairs and funds (Rule 26(5)(c)(iii) and (iv))

In terms of relevant International Standards applicable to audit, review and other assurance engagements we were unable to conduct an engagement relating to whether the books of account of the non-profit company have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud, and whether the financial affairs of the non-profit company appear to be effectively managed, as required by Rules 26(5)(c)(iii) and (iv). We have not performed any audit, review or other assurance engagement in relation to these matters and accordingly we do not express any assurance opinion or conclusion thereon.

Enslin & Associates Chartered Accountants (SA)

16 April 2021



**Block1
Boardwalk Office Park
Eros Street
Olympus
0042**

**Per:
Partner
Chartered Accountant (SA)**

Report of the Compiler

To the Directors of Douglasdale Extension 156 Home Owners Association NPC

We have compiled the accompanying financial statements of Douglasdale Extension 156 Home Owners Association NPC based on information you have provided. These financial statements comprise the statement of financial position as at 28 February 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

N and S Professional Accountants

16 April 2021



**Block1
Boardwalk Office Park
Eros Street
Olympus
0042**

**Per:
Partner
Professional Accountants**

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Statement of Financial Position

Figures in R

Notes

2021

2020

Assets

Current assets

Trade and other receivables	3	1,774,758	565,004
Current tax assets		24,746	29,543
Cash and cash equivalents	4	6,130,214	3,895,017
Total current assets		7,929,718	4,489,564

Total assets

7,929,718 **4,489,564**

Equity and liabilities

Equity

Accumulated surplus		3,709,662	1,559,712
Project reserve	5	1,673,738	929,089
Total equity		5,383,400	2,488,801

Current liabilities

Trade and other payables	6	1,262,482	388,032
Levies in advance		878,985	1,225,985
Community activity funds	7	404,851	386,746
Total current liabilities		2,546,318	2,000,763

Total equity and liabilities

7,929,718 **4,489,564**

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Statement of Comprehensive Income

Figures in R

	Notes	2021	2020
Revenue	8	19,464,151	18,427,079
Other income	9	356,397	12,140
Administrative expenses		(498,924)	(504,498)
Other expenses		(16,691,567)	(20,936,311)
Surplus / (deficit) from operating activities		2,630,057	(3,001,590)
Finance income	10	354,407	408,551
Surplus / (deficit) before tax		2,984,464	(2,593,039)
Income tax expense	18	(89,865)	(101,919)
Surplus / (deficit) before transfers		2,894,599	(2,694,958)
Transfers (to) / from reserves		(744,649)	3,750,414
Surplus for the year		2,149,950	1,055,456

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

Figures in R	Reserve fund	Accumulated surplus	Total
Balance at 1 March 2019	4,679,503	504,256	5,183,759
Changes in equity			
Surplus for the year	-	1,055,456	1,055,456
Total comprehensive income	-	1,055,456	1,055,456
Transfers between equity	(3,750,414)	-	(3,750,414)
Balance at 29 February 2020	929,089	1,559,712	2,488,801
Balance at 1 March 2020	929,089	1,559,712	2,488,801
Changes in equity			
Surplus for the year	-	2,149,950	2,149,950
Total comprehensive income	-	2,149,950	2,149,950
Transfers between equity	744,649	-	744,649
Balance at 28 February 2021	1,673,738	3,709,662	5,383,400

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

Figures in R

Note 2021 2020

Cash flows from operations

Surplus for the year		2,149,950	1,055,456
Adjustments to reconcile surplus			
Adjustments for income tax expense		89,865	101,919
Adjustments for finance income		(354,407)	(408,551)
Adjustments for increase in trade accounts receivable		(1,204,957)	(86,200)
Adjustments for increase / (decrease) in trade accounts payable		874,451	(864)
Adjustments for (decrease) / increase in other operating payables		(347,000)	391,842
Adjustments for (decrease) / increase in community activity funds		18,104	45,486
Total adjustments to reconcile surplus		(923,944)	43,632
Net cash flows from operations		1,226,006	1,099,088
Interest received		354,407	408,551
Income taxes paid		(89,865)	(101,919)
Net cash flows from operating activities		1,490,548	1,405,720
Cash flows from / (used in) financing activities			
Transfer from Project reserve		744,649	(3,750,415)
Cash flows from / (used in) financing activities		744,649	(3,750,415)
Net increase / (decrease) in cash and cash equivalents		2,235,197	(2,344,695)
Cash and cash equivalents at beginning of the year		3,895,017	6,239,712
Cash and cash equivalents at end of the year	4	6,130,214	3,895,017

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Accounting Policies

1. General information

Douglasdale Extension 156 Home Owners Association NPC ('the non-profit company') trades as a Home Owners Association.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Douglasdale Extension 156 Home Owners Association NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Financial instruments

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the non-profit company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Levies in arrears

Levies in arrears are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of levies in arrears is established when there is objective evidence that the non-profit company will not be able to collect all amounts due according to the original terms.

Levies in arrears are classified as debt instruments and loan commitments at amortised cost.

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 three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Levies in advance

Levies in advance are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.2 Tax

The tax expense for the year comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

2.3 Provisions

Provisions for restructuring costs and legal claims are recognised when: the non-profit company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Levies

The ordinary levies receivable are accounted for on a straight-line basis over the financial year and decided amongst the directors on a participation quota basis. The annual ordinary levies are agreed and approved by the directors at the non-profit company's annual general meeting. Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest on arrear levy contributions is recognised in terms of prescribed management rule 21(3)(c).

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

3. Trade and other receivables

Trade and other receivables comprise:

Levy debtors - late payments	57,832	35,185
Levy debtors - legal owner	1,145,028	630,819
Provision for legal fees that may not be recoverable	(246,775)	(101,000)
Eskom deposit	818,673	-
Total trade and other receivables	1,774,758	565,004

4. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash

Cash on hand	4,969	5,000
Total cash	4,969	5,000

Cash equivalents

Current account	800,089	1,145,910
Investment account	3,293,434	1,284,370
Investment account - 12 months fixed deposit	2,031,722	1,459,737
Total cash equivalents	6,125,245	3,890,017

Total cash and cash equivalents included in current assets

6,130,214 **3,895,017**

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

5. Project reserve

5.1 Reconciliation for the year ended 28 February 2021

	Opening balance	Resale levies	Interest earned	Project expenditure (note 17)	Sale of village bus	Closing balance
Project reserve	929,089	1,319,850	220,814	(996,015)	200,000	1,673,738
	<u>929,089</u>	<u>1,319,850</u>	<u>220,814</u>	<u>(996,015)</u>	<u>200,000</u>	<u>1,673,738</u>

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

Project reserve continued...

5.2 Reconciliation for the year ended 29 February 2020

	Opening balance	Resale levies	Interest earned	Project expenditure (note 17)	Closing balance
Project reserve	4,679,503	1,285,900	321,366	(5,357,680)	929,089
	4,679,503	1,285,900	321,366	(5,357,680)	929,089

Most of the prior year reduction in the Project reserve relates to the repainting of the village at a cost of R3.8 million. The directors have full discretion to make transfers between the project reserve and retained surplus.

6. Trade and other payables

Trade and other payables comprise:

Audit fees	36,150	30,000
CSOS levies control account	23,848	22,990
Electricity	135,000	163,208
Fire alarm	8,717	-
Generator	3,205	-
Insurance claims	34,228	18,959
Legal fees	103,827	5,422
Telephone	1,399	24,693
Operator recoverables	2,200	4,359
Other	3,259	17,501
Transport	-	8,500
Repairs owing	21,976	35,221
Security contract	-	6,604
Water	70,000	50,575
Eskom deposit	818,673	-
Total trade and other payables	1,262,482	388,032

The CSOS levies control account represents amounts collected from owners for CSOS levies in terms of the Community Schemes Ombud Services Act 9 of 2011 and is paid on a quarterly basis.

Electricity & water relates to invoices not received for the February usage.

Legal fees are invoices regarding legal disputes ie Wilcoprop & legal owner per note 3.

Transport relates to the payment of KVE Transport, as a trial for a contracted transport service for residents to the shops.

The Eskom deposit entries relate to the R600 000 deposit paid to Eskom in 2014, with the balance being accrued interest. The R600 000 was raised via a special levy from owners, for which each owner received a signed certificate stipulating the amount contributed towards the deposit.

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

7. Community activity funds

Community activity funds comprises:

Friday Social Club fund	27,160	56,483
Green fund	303,985	272,916
Club51	50,934	47,900
Knitting fund	6,118	3,468
Religion fund	6,024	5,979
DSTV Club	10,630	-
	<u>404,851</u>	<u>386,746</u>

Community activity funds represent cash held by the Home Owners Association on behalf of community activity groups.

8. Levy income

Levy income comprises:

Levies - standard	12,258,970	11,586,928
Levies - meals	3,129,625	2,995,200
Levies - midcare	540,000	485,000
Levies - parking	5,400	6,000
Levies - resale	1,319,850	1,285,900
Levies - salon	16,000	24,000
Levies - sewerage (flow through charges for City of Johannesburg)	1,743,312	1,604,523
Levies - storeroom	37,220	35,800
Levies - telephone line rental	270,480	270,480
Levies - water on demand (flow through charges for City of Johannesburg)	143,294	133,248
	<u>19,464,151</u>	<u>18,427,079</u>

9. Sundry income

Sundry income comprises:

Advertising	915	495
Functions	400	7,195
Miscellaneous	16,260	200
Resident fines	4,500	4,250
Sale of village bus	200,000	-
Covid19 - TERS income	134,322	-
	<u>356,397</u>	<u>12,140</u>

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

10. Interest income

Interest income comprises:

Bank	220,814	321,366
Trade and other receivables	133,593	87,185
	354,407	408,551

11. Municipal charges

Municipal charges comprise:

Electricity expense - Eskom	2,555,022	2,605,958
Electricity expense - Meters	19,338	12,610
Electricity recovered	(2,643,717)	(2,401,512)
Electricity expense - Netvendor charges	240,748	225,385
Electricity recovered - Operators	(414,966)	(303,494)
	(243,575)	138,947

Municipal charges - sewage and waste disposal	1,753,184	1,685,759
	1,753,184	1,685,759

Municipal charges - water	682,165	833,350
Municipal charges - water - recoveries	(106,963)	(99,851)
	575,202	733,499

Municipal charges - refuse removal - recoveries	(23,080)	(21,668)
	(23,080)	(21,668)

	2,061,731	2,536,537
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12. Garden

Garden comprise:

Garden borehole	31,103	16,213
Garden expense	68,577	50,544
Garden plants	48,917	40,555
Garden recycling	51,945	47,135
Garden service	1,672,613	1,585,419
Garden tree felling	22,600	31,900
	1,895,755	1,771,766

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

13. Motor vehicle expenses

Motor vehicle expenses comprise:

Vehicle running costs	176,529	35,817
Hire of bus	(12,640)	(15,660)
	<u>163,889</u>	<u>20,157</u>

14. Repairs and maintenance

Repairs and maintenance comprise:

Air conditioners	2,392	44,774
Building	434,662	568,273
Electrical	77,580	56,265
Fire equipment	-	8,877
Frail care	3,100	2,224
Generator	62,513	79,234
Infrastructure	53,802	80,891
Insurance claims	94,656	96,351
Insurance claims recovered	(146,793)	(85,091)
Kitchen	35,671	138,554
Lifts	169,019	162,119
Maintenance recovered from owners	(55,368)	(60,365)
Plumbing	124,485	73,828
Pool	4,330	7,826
Security maintenance and infrastructure	53,070	42,487
Solar geyser cost	93,558	-
Solar geyser recoveries	(93,630)	-
Tools	3,979	11,441
	<u>917,026</u>	<u>1,227,688</u>

Insurance claims paid out for water damage in the kitchen and dining room. Repairs to be done in new financial year.

15. Facility management

Facility management comprise:

Salaries and wages	2,056,146	1,995,680
Village Nurse	421,893	407,782
	<u>2,478,039</u>	<u>2,403,462</u>

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

16. Security

Security costs comprise:

Security access control	47,755	55,950
Security guarding service	2,439,507	2,282,987
Sale of access tags	(2,500)	(6,750)
Total security	2,484,762	2,332,187

17. Special projects

Special projects comprise:

Garden upgrades	27,381	20,571
Health and safety upgrades	-	4,743
Infrastructure upgrades	205,547	121,269
Lifestyle Centre refurbishment	545,697	284,933
Painting	-	3,811,192
Paving	20,693	-
Repairs - simplex/apartment roofs	178,829	161,683
Salon upgrades	-	89,526
Security	11,868	-
Watercourse rehabilitation	-	863,764
Website	6,000	-
Total special projects	996,015	5,357,681

18. Income tax expense

Income tax recognised in surplus or deficit:

Current tax

Current year	(89,865)	(101,919)
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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.

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Detailed Income Statement

Figures in R	Notes	2021	2020
Revenue			
Levy income	8	19,464,151	18,427,079
Total levy income		19,464,151	18,427,079
Other income			
Sundry income	9	356,397	12,140
Total other income		356,397	12,140
Administrative expenses			
Auditors remuneration - fees		(40,850)	(43,340)
Bank charges		(133,256)	(129,124)
Computer expenses		(27,340)	(17,913)
DSTV subscriptions		(13,551)	(20,848)
Telephone and fax		(283,927)	(293,273)
Total administrative expenses		(498,924)	(504,498)
Other expenses			
Administration fees		(840,000)	(840,000)
Cleaning		(745,875)	(703,112)
Consulting fees		(59,455)	(7,475)
Entertainment and staff welfare		-	(84,121)
Facility management	15	(2,478,039)	(2,403,462)
Fire alarm contract		(42,192)	-
Garden	12	(1,895,755)	(1,771,766)
General expenses		(5,025)	(7,330)
Health and safety costs		(87,792)	(169,180)
Insurance		(385,331)	(333,452)
Kitchen operator contract		(3,129,600)	(2,994,800)
Lease rental on operating lease		(9,068)	-
Legal expense		(339,819)	(64,006)
Motor vehicle expenses	13	(163,889)	(20,157)
Municipal charges	11	(2,061,731)	(2,536,537)
Pest control		(17,365)	(19,712)
Printing and stationery		(25,928)	(63,645)
Repairs and maintenance	14	(917,026)	(1,227,688)
Security	16	(2,484,762)	(2,332,187)
Special projects	17	(996,015)	(5,357,681)
Water monitoring contract		(6,900)	-
Total other expenses		(16,691,567)	(20,936,311)
Surplus / (deficit) from operating activities		2,630,057	(3,001,590)
Finance income			
Interest income	10	354,407	408,551
Total finance income		354,407	408,551
Surplus / (deficit) before tax		2,984,464	(2,593,039)

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Detailed Income Statement

Figures in R

	Notes	2021	2020
Income tax	18		
Current tax		(89,865)	(101,919)
Surplus / (deficit) after tax		2,894,599	(2,694,958)
Transfer (to)/from reserves		(744,649)	3,750,414
Surplus for the year		2,149,950	1,055,456

Douglasdale Extension 156 Home Owners Association NPC

(Registration Number 2012/155534/08)

Annual Financial Statements for the year ended 28 February 2021

Income Tax Computation

Figures in R

2021

Taxable income

Interest received	354,407
Other income	22,075
	<u>376,482</u>
Less S 10 (1)(e) exemption	<u>(50,000)</u>
Taxable income	326,482

Allowable expenditure

Auditor fees	40,850
Bank charges	133,256
Management fees (20%)	168,000
	<u>342,106</u>
	<u>(15,624)</u>

TAX CALCULATION

Calculation of Allowable Deduction

<u>Taxable income</u>	X	<u>Allowable expenditure</u>	
1		Total Income	
<u>326,482</u>	X	<u>342,106</u>	=
1		<u>20,174,955</u>	5,536

Calculation of taxable income

Taxable income - allowable deduction	=	320,946
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Tax Liability

Amount (owing) / prepaid at the beginning of the year	(29,543)
Prior year (over)/under provision	-
Tax owing / (prepaid) before current year charges	<u>(29,543)</u>
Less assessments refunded	(13,656)
Tax owing for current year	(8,859)
Normal taxation per calculation @ 28%	<u>89,865</u>
1st provisional payment	-
2nd provisional payment	<u>(98,724)</u>
Amount (prepaid) / owing at the end of the year	<u>(24,746)</u>