

CAPE ST MARTIN HOME OWNERS ASSOCIATION
Financial statements
for the year ended 31 December 2017

CAPE ST MARTIN HOME OWNERS ASSOCIATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

GENERAL INFORMATION

TRUSTEES

H du Toit
S Pott
NK Gunase
L Doms
B Gouws
N Liebenberg
H Pack

BUSINESS ADDRESS

Duiker Eiland
St Helena Bay
7390

POSTAL ADDRESS

PO Box 633
St Helena Bay
7390

BANKERS

ABSA

AUDITORS

Reko Public Accountants and Auditors
Chartered Accountants (SA)
Registered Auditors

TAX REFERENCE NUMBER

9687/972/14/2

LEVEL OF ASSURANCE

These financial statements have been audited in compliance with the applicable requirements of the Constitution of the Cape St Martin Home Owners Association and the Regulations on Community Schemes Ombud Service in terms of the Community Schemes Ombud Service Act, 2011 (Act no. 9 of 2011).

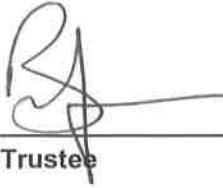
**CAPE ST MARTIN HOME OWNERS ASSOCIATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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The financial statements set out on pages 3 to 10, which have been prepared on the going concern basis, were approved by the board of trustees and were signed:



Trustee

Trustee

19.05.2018
Date

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES OF CAPE ST MARTIN HOME OWNERS ASSOCIATION

OPINION

We have audited the financial statements of Cape St Martin Home Owners Association set out on pages 5 to 10, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, and statement of changes in equity 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 Cape St Martin Home Owners Association as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice and the requirements of the Constitution of the Cape St Martin Home Owners Association and the Regulations on Community Schemes Ombud Service in terms of the Community Schemes Ombud Service Act, 2011 (Act no. 9 of 2011).

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 financial statements section of our report. We are independent of the home owners association 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice and the requirements of the Constitution of the Cape St Martin Home Owners Association and the Regulations on Community Schemes Ombud Service in terms of the Community Schemes Ombud Service Act, 2011 (Act no. 9 of 2011), and for such internal control as the trustees 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 trustees are responsible for assessing the home owners 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 trustees either intend to liquidate the home owners association or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

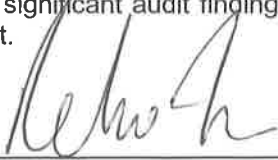
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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:

INDEPENDENT AUDITOR'S REPORT

- 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 home owners association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 home owners 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 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 home owners association 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 trustees 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.



Reko Public Accountants and Auditors
Chartered Accountants (SA)
Registered Auditor

Per: AV Janse van Rensburg
Chartered Accountant (SA) / Professional Accountant (SA)

21/09/2019
Date

26 Veldriff Road
Vredenburg
7380

CAPE ST MARTIN HOME OWNERS ASSOCIATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION

	Note(s)	2017 R	2016 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	2	2
CURRENT ASSETS			
Trade and other receivables	3	252,226	258,391
Cash and cash equivalents	4	256,787	359,849
		509,013	618,240
Total Assets		509,015	618,242
EQUITY AND LIABILITIES			
EQUITY			
Maintenance reserves		40,000	30,000
Accumulated surplus		171,572	246,237
		211,572	276,237
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	97,443	142,005
Building deposits		200,000	200,000
		297,443	342,005
Total Equity and Liabilities		509,015	618,242

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2017 R	2016 R
REVENUE			
Administrative fund levies		524,160	458,640
Maintenance reserve fund levies		60,060	-
		584,220	458,640
OTHER INCOME			
Interest received		17,188	28,431
Municipal rebate (Water)		151,064	-
Recoupment of water		84,469	100,130
Sundry income		4,688	1,600
		257,409	130,161
OPERATING EXPENSES			
Accounting fees		4,721	-
Administration fees		112,960	109,140
Advertising		5,000	-
Auditors remuneration		15,557	12,594
Bad debts		26,815	-
Bank charges		6,040	5,766
Consulting fees		-	9,928
Electricity		159,958	164,309
Entertainment		1,619	979
Garden expenses		126,680	124,200
Insurance		10,839	8,667
Legal expenses		76,006	78,749
Postage		-	800
Rates		602	519
Repairs and maintenance		178,618	200,889
Telephone and fax		3,283	2,054
Travel - local		3,060	3,060
Water		174,536	91,329
		906,294	812,983
Operating deficit		(64,665)	(224,182)
Finance costs		-	(703)
Deficit for the year		(64,665)	(224,885)

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STATEMENT OF CHANGES IN EQUITY

	Maintenance reserves R	Accumulated surplus R	Total equity R
Balance at 01 January 2016	20,000	481,122	501,122
Deficit for the year	-	(224,885)	(224,885)
Transfer between reserves	10,000	(10,000)	-
Total changes	10,000	(10,000)	-
Balance at 01 January 2017	30,000	246,237	276,237
Deficit for the year	-	(64,665)	(64,665)
Transfer between reserves	10,000	(10,000)	-
Total changes	10,000	(10,000)	-
Balance at 31 December 2017	40,000	171,572	211,572

CAPE ST MARTIN HOME OWNERS ASSOCIATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

ACCOUNTING POLICIES

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis in accordance with the generally accepted accounting practice. 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 period.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the home owners association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated 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. Property, plant and equipment less than R20,000 is fully depreciated in the year of acquisition.

Item	Depreciation method	Average useful life
Electronic equipment	Straight line	3 years

Gains and losses on disposals are recognised in profit or loss.

1.2 REVENUE

Revenue is recognised to the extent that the home owners association has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the home owners association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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NOTES TO THE FINANCIAL STATEMENTS

	2017 R	2016 R
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2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	1	-	1	1	-	1
Electronic equipment	12,654	(12,653)	1	12,654	(12,653)	1
Total	12,655	(12,653)	2	12,655	(12,653)	2

Reconciliation of property, plant and equipment - 2017

	Opening balance	Carrying value
Land and buildings	1	1
Electronic equipment	1	1
	2	2

Reconciliation of property, plant and equipment - 2016

	Opening balance	Carrying value
Land and buildings	1	1
Electronic equipment	1	1
	2	2

Details of properties

Erf 6149, St Helena Bay,
 Erf 6371, St Helena Bay,
 Erf 6373 St Helena Bay,
 Pump stations,
 Walls,
 Electronic gates, and
 Insecticide canister

The land and buildings were accounted for by means of a donation of R1 by the developer. The land and buildings were part of the developer's development costs.

3. TRADE AND OTHER RECEIVABLES

Deposits	34,941	37,673
Outstanding levies	66,407	220,718
Prepayments (Municipal rebate)	149,567	-
Sundry customers	1,311	-
	252,226	258,391

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NOTES TO THE FINANCIAL STATEMENTS

	2017 R	2016 R
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	9	9
Bank balances	110,180	23,113
Call account	-	210,245
Fixed deposit	1,013	1,013
Building deposits account	135,711	115,738
Maintenance account	9,874	9,731
	256,787	359,849
5. TRADE AND OTHER PAYABLES		
Accounts payable	43,303	84,113
CSOS levies payable	1,638	-
Levies received in advance	52,502	57,892
	97,443	142,005
6. TAXATION		

No provision has been made for 2017 tax as the association has no taxable income.

