

Springerbaai Home Owners Association

An association not for gain - Established April 2003

Financial Statements

for the year ended 30 September 2020

General Information

Registered address :	Springerbaai Farm Klipfontein MOSEL BAY 6500
Postal address :	PO Box 11293 HEIDERAND 6511
Accountant :	CS Bredekamp CA(SA) OUDTSHOORN SAICA PR No 00115939
Bankers :	ABSA - Mossel Bay

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Independent accountant's compilation report

Springerbaai Home Owners Association

We have compiled the accompanying financial statements of The Springerbaai Home Owner Association based on information provided by the Trustees.

The financial statements comprise the statement of financial position as at 30 September 2020, the statement of Income and expenses 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 Standards 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. 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 the responsibility of the Trustees.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided.

Accordingly, we do not express an audit opinion or a review conclusion on the information compiled.



CS Bredekamp
Chartered Accountants (SA)

OUDTSHOORN
2 November 2020

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Report of the Trustees

for the year ended 30 September 2020

The report of the trustees which forms part of the annual financial statements of the association for the year :-

1. Nature of association, main objective and membership

The association was established in terms of section 29 of Provincial Ordinance 15 of 1985, Cape Province, and is therefor a legal entity with its own constitution.

Its main objective is the promotion and advancement of the Springerbaai development and the protection of the communal interests of its members.

Every registered owner of a property in the development is a member of the association.

2. Statement of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation, accuracy and integrity of the financial statements and related information.

The trustees are also responsible for the association's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown has occurred in the functioning of these control procedures and systems during the period under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the association has adequate resources in place to continue its operations for the foreseeable future.

3. Financial results

The state of the association's affairs and the results of its operations are clearly set out on pages 5 to 12 of the annual financial statements.

4. Events subsequent to the balance sheet date

No matter which is material to the financial affairs of the association has occurred between the balance sheet date and the date of approval of these financial statements.

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Report of the Trustees

for the year ended 30 September 2020

5. Trustees

The following persons acted as trustees during the period under review :

P van Greunen (Chair) - Human Resources and Management

D Tharratt - Finance and Legal

I Grobler - Infrastructure and Risk

M Rosenbaum - Aesthetics, Game and Projects

D Doyle - Environment and Security

S le Roux - Communication and Marketing

6. Taxation

The Association has been exempted from Income Tax in terms of Section 10(e) of the Income Tax Act and will only be taxed on investment income if and when it exceeds 20% of total income.

It is in the opinion of the Trustees unlikely that such a situation will arise.

7. Independent Accountants

CS Bredekamp, Chartered Accountants (SA) has been appointed as the independent accountant at the annual general meeting and will continue in office until the next annual general meeting.

The financial statements as set out on pages 5 to 12 have been approved by the Trustees and signed on their behalf :

P van Greunen

Chair

Date :

D Tharrat

Trustee - Finance and Legal

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Statement of Financial Position

30 September

	Note	2020 R	2019 R
Assets			
Fixed property	2	5 668 808	5 252 783
Fixed assets	3	668 710	353 946
Investments	4	1 100 047	1 118 260
Eskom deposit		8 157	-
Current assets		1 737 499	1 868 693
Receivable from owners	5	81 455	20 232
Staff Loan		-	1 770
Bank and Cash	6	1 656 044	1 846 691
Total Assets		9 183 221	8 593 682
Equity and Liabilities			
Reserves		9 011 561	8 459 717
Accumulated funds		7 911 514	7 341 457
Special capital contributions	7	1 100 047	1 118 260
Long term loan	8	-	-
Current liabilities			
Accounts payable and provisions	9	171 660	133 965
Total reserves and liabilities		9 183 221	8 593 682

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Statement of Income and Expenses

for the year ended 30 September

	Note	2020 R	2019 R
Turnover		2 348 395	2 300 974
Income		2 348 395	2 300 974
Management levies	1.1 & 5	2 269 800	2 223 000
Ombud Levy (117 units x R240)		28 080	28 080
Scrutiny fee - Aesthetics Committee		24 120	11 134
Game/Skin Sales		-	29 525
Gatehouse sales		-	-
Nursery sales		13 285	4 405
Wood sales		13 110	4 830
Detail expenses - Page 7		1 856 604	1 502 367
Net operating surplus		491 791	798 607
Net interest received	10	78 266	105 360
Surplus for the year		570 057	903 967
Accumulated funds at the beginning of the year		7 341 457	6 437 490
Transferred to Contingency fund	4.2 & 7.1	-	-
Accumulated funds at the end of the year		7 911 514	7 341 457

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Detail expenses

for the year ended 30 September

	Note	2020 R	2019 R
Accounting fees		3 800	3 600
Accounting review		11 260	11 060
Admin - salaries		4 200	1 200
Bank charges		8 558	16 734
Computer expenses		1 980	-
Consulting fees - Wind energy		6 515	1 000
Depreciation	3	92 235	68 047
Electricity, water, rates and taxes		40 382	63 094
Fransmanshoek conservation		10 000	10 000
Functions, meetings and HOA activities		9 390	6 737
Game and nursery expenses		24 032	35 510
Gatehouse expenses		22 235	19 181
Insurance and risk analysis		81 229	64 783
Legal fees/CCMA		3 450	7 285
Life savers		22 680	27 883
Motor vehicle expenses		53 573	62 181
Ombud paid		28 080	28 080
Printing and stationery		10 630	5 998
Repair & maintenance - Alien eradication		112 598	23 355
Repair & maintenance - Buildings		3 119	21 653
Repair & maintenance - Boardwalk & Bird hides		38 332	22 204
Repair & maintenance - Equipment		4 941	8 729
Repair & maintenance - Fences		274	-
Repair & maintenance - Roads		287 315	64 473
Repair & maintenance - Water		108 571	1 130
Repair & maintenance - Fire Breaks and Hydrants		11 789	13 504
Salaries and wages, including contract employees		716 489	717 394
Security		51 629	57 589
Sewage and refuge		21 384	44 656
Staff training		-	5 534
Staff uniforms		4 363	5 370
Staff welfare		4 026	-
Subscriptions including website		15 187	11 073
Telephone, fax and internet		34 142	44 383
Travel and subsistence		8 216	28 947
Total Expenses		1 856 604	1 502 367

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Statement of Cash Flows

for the year ended 30 September

	Note	2020 R	2019 R
Generated from :-			
Operating activities		622 321	1 140 637
Operations	A	538 148	957 048
Levies and other income	1.1	2 263 052	2 386 218
(Paid to) staff and suppliers		(1 724 904)	(1 429 170)
Net interest earned	10	78 266	105 360
Investment income	4	53 707	67 095
Scrutiny fee income		24 120	11 134
Paid to REVAG		(71 920)	-
Investment activities		(804 811)	(313 399)
Decrease(Increase) in investments	4	18 213	(67 095)
Improvements to communal property	2	(416 025)	(183 319)
Acquisition of fixed assets	3	(406 999)	(62 985)
Financing activities		(8 157)	(65 736)
(Decrease) in long term loans	8	-	(65 736)
Eskom Deposit		(8 157)	-
Net (outflow)inflow		(190 647)	761 502
Cash and cash equivalents :-			
- at the beginning of the year		1 846 691	1 085 189
- at the end of the year		1 656 044	1 846 691

A. Reconciliation of the net surplus with the cash generated from operations :

Cash generated from the surplus		559 906	855 520
Net surplus before interest		491 791	798 607
Adjusted for depreciation		92 235	68 047
Other income		(24 120)	(11 134)
Decrease in working capital requirements		(21 758)	101 528
Decrease in levies outstanding		(61 223)	96 378
(Increase) in staff loans		1 770	(1 770)
Increase(Decrease) in accounts payable	9	37 695	6 920
Cash generated from operations		538 148	957 048

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Notes to the Annual Financial Statements

1. Accounting policies

The financial statements are prepared on the historical cost basis and the principal accounting policies which are consistently applied are :

1.1 Recognition of income

Levies are approved annually by the members for the next calendar year.

The levy is due and payable for a calendar year in advance when invoiced, and is recognised in full on the invoice date.

1.2 Fixed assets

Property is expected to increase in value over time and is stated at cost.

Other fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis at 10 percent per annum which is considered adequate to write each asset down to its expected residual value at the end of its economic life.

1.3 Investments

Investments are stated at cost including realised investment returns.

1.4 Deviation from generally accepted accounting practice

Reserve accounting

The association capitalise investment income earned on investments (note 4) associated with designated reserves (note 7) directly to these reserves without recognising the income through the income statement.

2. Fixed property

	2020	2019
	R	R
Cost - opening balance	5 252 783	5 069 464
Improvements during the year		
Bird hides and boardwalks	15 204	-
Roads	398 242	171 459
Water systems	2 579	11 860
Communal property - Springerbaai farm	5 668 808	5 252 783

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Notes to the Annual Financial Statements

for the year ended 30 September

		2020	2019
		R	R
	Depreciation for the year		
3. Fixed assets			
3.1 Office furniture, equipment and computers		39 090	43 126
Cost - opening balance		89 736	89 736
Additions		5 028	-
Accumulated depreciation		(55 674)	(46 610)
Opening balance		(46 610)	(37 636)
Depreciation for the year 10%	9 064	(9 064)	(8 974)
3.2 Property equipment and sign boards		211 040	69 390
Cost - opening balance		113 538	51 218
Additions		158 173	62 320
Accumulated depreciation		(60 671)	(44 148)
Opening balance		(44 148)	(35 740)
Depreciation for the year 10%	16 523	(16 523)	(8 408)
3.3 Vehicles		324 200	144 330
Cost - opening balance		324 650	324 650
Additions		227 497	-
Accumulated depreciation		(227 947)	(180 320)
Opening balance		(180 320)	(147 860)
Depreciation for the year 10%	47 627	(47 627)	(32 460)
3.4 Gate security equipment		94 380	97 100
Cost - opening balance		184 937	184 272
Additions		16 301	665
Accumulated depreciation 10%		(106 858)	(87 837)
Opening balance		(87 837)	(69 632)
Depreciation for the year 10%	19 021	(19 021)	(18 205)
	92 235	668 710	353 946

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Notes to the Annual Financial Statements

for the year ended 30 September

	2020	2019
	R	R
4. Investments		
4.1 Standard Bank Equity Derivatives - at cost		
At the beginning of the year		
(Withdrawn)Advanced during the year		
Proceeds transferred to 4.2 ABSA Fixed Deposit		
Capital Gain		
4.2 ABSA Fixed Deposit - Contingency fund (note 7.1)	870 415	831 923
At the beginning of the year	831 923	783 102
Transferred from 4.1 Standard bank equity	-	-
Transferred from general reserves	-	-
Interest earned	38 492	48 821
4.3 ABSA Fixed Deposit - Revag fund (note 7.2)	229 632	286 337
Opening balance	286 337	268 063
Interest earned	15 215	18 274
Paid over to REVAG during the year	(71 920)	
Special Contributions invested - note 7	1 100 047	1 118 260
5. Receivable from owners Per Unit		
Outstanding at the beginning of the year	20 232	116 610
Levy income invoiced for the year(117 units)	2 269 800	2 223 000
117 units	19 400.00	2 269 800
	-	-
117 units - amounts received	(2 208 577)	(2 319 378)
Outstanding at the end of the year	81 455	20 232
6. Bank and Cash		
Absa Money Market*	1 123 791	1 547 080
Absa Cheque account	532 006	295 665
Cash on hand	247	3 946
	1 656 044	1 846 691

* The Money market account earns interest at 5.015% p.a. (2019 : 6.47%) calculated on the daily balance and capitalised monthly.

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		2020	2019
		R	R
7. Special capital contributions	Units		
7.1 Contingency contribution fund (note 4.2)		870 415	831 923
At the beginning of the year		831 923	783 102
Transferred from general reserves		-	-
Investment proceeds for the year - note 4.2		38 492	48 821
7.2 REVAG Fund (note 4.3)		229 632	286 337
Contributions - R2,000 per unit	116	232 000	232 000
Paid over to REVAG during the year		(71 920)	-
Investment proceeds to date		69 552	54 337
		1 100 047	1 118 260
8. Long term loan			
Absa Vehicle Finance			
Opening balance			65 736
Interest			3 178
Repaid during the year			(68 914)
Repaid during the previous year			-
9. Accounts payable and provisions			
Suppliers		29 629	83 742
Accounting Review fee accrual		10 860	10 860
Builders deposit		15 000	-
Donation received for future expenses		50 000	
Owners with credit balances		34 929	10 023
Salary accruals		5 242	3 340
Leave provision		26 000	26 000
Amount outstanding at year end		171 660	133 965
10. Net interest earned(paid)			
ABSA Vehicle finance(paid) - note 8		-	(3 178)
Money market account		76 711	89 702
Eskom deposit		367	-
Levy arrears		1 188	18 836
		78 266	105 360