

# Springerbaai Home Owners Association

An association not for gain - Established April 2003

## Financial Statements

for the year ended 30 September 2021

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### General Information

Registered address :	Springerbaai Farm Klipfontein MOSSEL 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 2021, 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 Bredenkamp**  
Chartered Accountants (SA)

OUDTSHOORN  
10 November 2021

# **Springerbaai Home Owners Association**

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## **Report of the Trustees**

for the year ended 30 September 2021

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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 owners.

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.

# Springerbaai Home Owners Association

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## Report of the Trustees

for the year ended 30 September 2021

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### 5. Trustees

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

<b>Fanus Le Roux (Chair )</b>	General Management & Newsletter. REVAG/FMHC Management Plan, 20-Year Review
<b>Wynand Pretorius</b>	Finance, Legal & Insurance, Budget 2021 & 5-year plan Internal Control, Ombud, Human Resources
<b>I Grobler</b>	Infrastructure ; Roads/Water Network/Paths/Dams/Hides Green Energy Option - Wind, Fire Risk, Boreholes
<b>Des Doyle (Vice-Chair)</b>	Aesthetics & BAC, Special Projects, Security
<b>Ruben Opperman</b>	Environment & Game Management Precautionary Burns, Eradication/Drought
<b>Reuben Aldum</b>	IT & Communications : Website/Facebook Policy & Procedure Documents Promotion of Market Value

### 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 :

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Fanus Le Roux  
Chair

Date :

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Wynand Pretorius  
Trustee

## Springerbaai Home Owners Association

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### Statement of Financial Position

30 September

	Note	2021 R	2020 R
<b>Assets</b>			
Fixed property	2	5 755 858	5 668 808
Fixed assets	3	610 860	668 710
Investments	4	1 132 354	1 100 047
Eskom deposit		8 491	8 157
<b>Current assets</b>		<b>2 059 373</b>	1 737 499
Receivable from owners	5	112 283	81 455
Trade receivables - Game		19 248	-
Bank and Cash	6	1 927 842	1 656 044
<b>Total Assets</b>		<b>9 566 936</b>	9 183 221
<b>Equity and Liabilities</b>			
<b>Reserves</b>		<b>9 342 470</b>	9 011 561
Accumulated funds		8 210 116	7 911 514
Special capital contributions	7	1 132 354	1 100 047
<b>Current liabilities</b>			
Accounts payable and provisions	8	224 466	171 660
<b>Total reserves and liabilities</b>		<b>9 566 936</b>	9 183 221

## Springerbaai Home Owners Association

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### Statement of Income and Expenses

for the year ended 30 September

	Note	2021 R	2020 R
<b>Turnover</b>		<b>2 493 752</b>	2 348 395
<b>Income</b>		<b>2 493 752</b>	2 348 395
Management levies	1.1 & 5	<b>2 269 800</b>	2 269 800
Ombud Levy (117 units x R240)		<b>28 080</b>	28 080
Scrutiny fee - Aesthetics Committee		<b>144 140</b>	24 120
Game/Skin Sales		<b>19 248</b>	-
Gatehouse sales		<b>4 250</b>	-
Nursery sales		<b>11 065</b>	13 285
Wood sales		<b>17 169</b>	13 110
<b>Detail expenses - Page 7</b>		<b>2 258 598</b>	1 856 604
<b>Net operating surplus</b>		<b>235 154</b>	491 791
Net interest received	9	<b>63 448</b>	78 266
<b>Surplus for the year</b>		<b>298 602</b>	570 057
Accumulated funds at the beginning of the year		<b>7 911 514</b>	7 341 457
Transferred to Contingency fund	4.2 & 7.1	-	-
<b>Accumulated funds at the end of the year</b>		<b>8 210 116</b>	7 911 514

## Springerbaai Home Owners Association

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### Detail expenses

for the year ended 30 September

	Note	2021 R	2020 R
Accounting fees		-	3 800
Accounting review		11 260	11 260
Admin - salaries		4 490	4 200
Aesthetics traveling and general		62 211	-
Bank charges		8 699	8 558
Computer expenses		2 874	1 980
Consulting fees - Environment		6 000	6 515
Depreciation	3	115 640	92 235
Electricity, water, rates and taxes		(16 158)	40 382
Fransmanshoek conservation		10 000	10 000
Functions, meetings and HOA activities		1 763	9 390
Game and nursery expenses		40 795	24 032
Gatehouse expenses		11 356	22 235
Insurance and risk analysis		87 633	81 229
Legal fees/CCMA		383	3 450
Life savers		-	22 680
Motor vehicle expenses		82 794	53 573
Ombud paid		28 080	28 080
Printing and stationery		8 675	10 630
Repair & maintenance - Alien eradication/weed control		92 623	112 598
Repair & maintenance - Buildings		3 434	3 119
Repair & maintenance - Boardwalk & Bird hides		39 636	38 332
Repair & maintenance - Equipment		6 507	4 941
Repair & maintenance - Fences			274
Repair & maintenance - General		8 715	-
Repair & maintenance - Roads		363 756	287 315
Repair & maintenance - Water		260 934	108 571
Repair & maintenance - Fire Breaks and Hydrants		12 864	11 789
Salaries and wages, including contract employees		867 951	716 489
Security		23 979	51 629
Sewage and refuge		29 991	21 384
Staff training			-
Staff uniforms			4 363
Staff welfare		2 295	4 026
Subscriptions including website		12 182	15 187
Telephone, fax and internet		45 073	34 142
Travel and subsistence		22 163	8 216
<b>Total Expenses</b>		<b>2 258 598</b>	<b>1 856 604</b>

## Springerbaai Home Owners Association

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### Statement of Cash Flows

for the year ended 30 September

	Note	2021 R	2020 R
Generated from :-			
<b>Operating activities</b>		<b>449 279</b>	622 321
Operations	A	209 384	538 148
Levies and other income	1.1	2 318 784	2 263 052
(Paid to) staff and suppliers		(2 109 400)	(1 724 904)
Net interest earned	10	63 448	78 266
Investment income	4	34 036	53 707
Scrutiny fee income		144 140	24 120
Bank charges on REVAG transfer	4.2	(1 729)	-
Paid to REVAG	4.2	-	(71 920)
<b>Investment activities</b>		<b>(177 147)</b>	(804 811)
(Increase)Decrease in investments	4	(32 307)	18 213
Improvements to communal property	2	(87 050)	(416 025)
Acquisition of fixed assets	3	(57 790)	(406 999)
<b>Financing activities</b>		<b>(334)</b>	(8 157)
(Decrease) in long term loans		-	-
Eskom Deposit		(334)	(8 157)
<b>Net (outflow)inflow</b>		<b>271 798</b>	(190 647)
<b>Cash and cash equivalents :-</b>			
- at the beginning of the year		1 656 044	1 846 691
- at the end of the year		1 927 842	1 656 044

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

Cash generated from the surplus		206 654	559 906
Net surplus before interest		235 154	491 791
Adjusted for depreciation		115 640	92 235
Other income		(144 140)	(24 120)
Decrease in working capital requirements		2 730	(21 758)
(Increase) in levies outstanding		(30 828)	(61 223)
Decrease in staff loans		-	1 770
(Increase) in trade debtors		(19 248)	
Increase(Decrease) in accounts payable	8	52 806	37 695
Cash generated from operations		209 384	538 148



# Springerbaai Home Owners Association

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## Notes to the Annual Financial Statements

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### 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

	2021	2020
	R	R
Cost - opening balance	5 668 808	5 252 783
Improvements during the year		
Bird hides and boardwalks	-	15 204
Fences	2 236	-
Roads	83 088	398 242
Water systems	1 726	2 579
Communal property - Springerbaai farm	<b>5 755 858</b>	5 668 808

## Springerbaai Home Owners Association

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### Notes to the Annual Financial Statements

for the year ended 30 September

		2021	2020
		R	R
	Depreciation for the year		
<b>3. Fixed assets</b>			
<b>3.1 Office furniture, equipment and computers</b>		<b>66 420</b>	39 090
Cost - opening balance		<b>94 764</b>	89 736
Additions		<b>40 439</b>	5 028
Accumulated depreciation		<b>(68 783)</b>	(55 674)
Opening balance		<b>(55 674)</b>	(46 610)
Depreciation for the year 10%	13 109	<b>(13 109)</b>	(9 064)
<b>3.2 Property equipment and sign boards</b>		<b>201 190</b>	211 040
Cost - opening balance		<b>271 711</b>	113 538
Additions		<b>17 351</b>	158 173
Accumulated depreciation		<b>(87 872)</b>	(60 671)
Opening balance		<b>(60 671)</b>	(44 148)
Depreciation for the year 10%	27 201	<b>(27 201)</b>	(16 523)
<b>3.3 Vehicles</b>		<b>268 990</b>	324 200
Cost - opening balance		<b>552 147</b>	324 650
Additions		-	227 497
Accumulated depreciation		<b>(283 157)</b>	(227 947)
Opening balance		<b>(227 947)</b>	(180 320)
Depreciation for the year 10%	55 210	<b>(55 210)</b>	(47 627)
<b>3.4 Gate security equipment</b>		<b>74 260</b>	94 380
Cost - opening balance		<b>201 238</b>	184 937
Additions		-	16 301
Accumulated depreciation 10%		<b>(126 978)</b>	(106 858)
Opening balance		<b>(106 858)</b>	(87 837)
Depreciation for the year 10%	20 120	<b>(20 120)</b>	(19 021)
	115 640	<b>610 860</b>	668 710

## Springerbaai Home Owners Association

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### Notes to the Annual Financial Statements

for the year ended 30 September

		2021	2020
		R	R
<b>4. Investments</b>			
<b>4.1 ABSA Fixed Deposit - Contingency fund</b>	(note 7.1)	<b>896 442</b>	870 415
At the beginning of the year		<b>870 415</b>	831 923
Transferred from 4.1 Standard bank equity		-	-
Transferred from general reserves		-	-
Interest earned		<b>26 027</b>	38 492
<b>4.2 ABSA Fixed Deposit - Revag fund</b>	(note 7.2)	<b>235 912</b>	229 632
Opening balance		<b>229 632</b>	286 337
Interest earned		<b>8 009</b>	15 215
Bank charges		<b>(1 729)</b>	
Paid over to REVAG during the year		-	(71 920)
<b>Special Contributions invested</b>	- note 7	<b>1 132 354</b>	1 100 047
<b>5. Receivable from owners</b>			
	Per Unit	-	
Outstanding at the beginning of the year		<b>81 455</b>	20 232
Levy income invoiced for the year (117 units)		<b>2 269 800</b>	2 269 800
117 units	19 400.00	<b>2 269 800</b>	2 269 800
		-	-
117 units - amounts received		<b>(2 238 972)</b>	(2 208 577)
Outstanding at the end of the year		<b>112 283</b>	81 455
<b>6. Bank and Cash</b>			
Absa Money Market*		<b>1 886 090</b>	1 123 791
Absa Cheque account		<b>41 640</b>	532 006
Cash on hand		<b>112</b>	247
		<b>1 927 842</b>	1 656 044

\* The Money market account earns interest at 4.068% p.a. (2020 : 5.015%) calculated on the daily balance and capitalised monthly.

## Springerbaai Home Owners Association

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### Notes to the Annual Financial Statements

Springerbaai Home Owners Association

2021

2020

R

R

		2021	2020
		R	R
<b>7. Special capital contributions</b>	Units		
<b>7.1 Contingency contribution fund</b> (note 4.1)		<b>896 442</b>	870 415
At the beginning of the year		<b>870 415</b>	831 923
Transferred from general reserves		-	-
Investment proceeds for the year		<b>26 027</b>	38 492
<b>7.2 REVAG Fund</b> (note 4.2)		<b>235 912</b>	229 632
Contributions - R2,000 per unit	116	<b>232 000</b>	232 000
Paid over to REVAG prior year		<b>(71 920)</b>	(71 920)
Net Investment proceeds to date		<b>75 832</b>	69 552
		<b>1 132 354</b>	1 100 047
<b>8. Accounts payable and provisions</b>			
Suppliers		<b>16 031</b>	29 629
Accounting Review fee accrual		<b>11 860</b>	10 860
Builders deposit		<b>80 000</b>	15 000
Donation received for future expenses		<b>3 765</b>	50 000
Owners with credit balances		<b>81 178</b>	34 929
Salary accruals		<b>5 632</b>	5 242
Leave provision		<b>26 000</b>	26 000
Amount outstanding at year end		<b>224 466</b>	171 660
<b>9. Net interest earned(paid)</b>			
Money market account		<b>62 298</b>	76 711
Eskom deposit		<b>334</b>	367
Levy arrears		<b>816</b>	1 188
		<b>63 448</b>	78 266