

# Springerbaai Home Owners Association

An association not for gain - Established April 2003

## Financial Statements

for the year ended 30 September 2022

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### 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

### Contents

	Page
Compilation report	2
Report of the Trustees	3 - 4
Balance Sheet	5
Income Statement	6 - 7
Cash Flow Statement	8
Notes to the Financial Statements	9 -12

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 2022, 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

18 November 2022

# **Springerbaai Home Owners Association**

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## **Report of the Trustees**

for the year ended 30 September 2022

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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 therefore 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

An association not for gain - Established April 2003

### Report of the Trustees

for the year ended 30 September 2022

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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 (Vice - Chair)</b>	Finance, Legal & Insurance, Budget 2022 & 5-year plan Internal Control, Ombud, Human Resources
<b>I Grobler</b>	Infrastructure ; Roads/Water Network/Paths/Dams/Hides Fire Risk, Boreholes
<b>Charl van der Walt</b>	Aesthetics & BAC, Special Projects, Security Assist with boreholes
<b>Ruben Opperman</b>	Environment & Game Management Precautionary Burns, Eradication/Drought
<b>Concha Shawe/ Reuben Aldum (resigned)</b>	Newsletter compilation 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.

#### 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	2022 R	2021 R
<b>Assets</b>			
Fixed property	2	5 851 488	5 755 858
Fixed assets	3	746 430	610 860
Investments	4	1 279 572	1 132 354
Eskom deposit		8 771	8 491
<b>Current assets</b>		<b>1 896 034</b>	2 059 373
Receivable from owners	5	25 049	112 283
Trade receivables - Game		-	19 248
Bank and Cash	6	1 870 985	1 927 842
<b>Total Assets</b>		<b>9 782 295</b>	9 566 936
<b>Equity and Liabilities</b>			
<b>Reserves</b>		<b>9 449 759</b>	9 342 470
Accumulated funds		8 170 187	8 210 116
Special capital contributions	7	1 279 572	1 132 354
<b>Current liabilities</b>			
Accounts payable and provisions	8	332 536	224 466
<b>Total reserves and liabilities</b>		<b>9 782 295</b>	9 566 936

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Statement of Income and Expenses

for the year ended 30 September

	Note	2022 R	2021 R
<b>Turnover</b>		<b>2 588 374</b>	2 493 752
<b>Income</b>		<b>2 588 374</b>	2 493 752
Management levies	1.1 & 5	<b>2 385 045</b>	2 269 800
Ombud Levy (117 units x R240)		<b>28 080</b>	28 080
Scrutiny fee - Aesthetics Committee		<b>85 080</b>	144 140
Game/Skin Sales		<b>25 879</b>	19 248
Gatehouse sales		<b>13 330</b>	4 250
Nursery sales		<b>16 240</b>	11 065
Wood sales		<b>34 720</b>	17 169
<b>Detail expenses - Page 7</b>		<b>2 623 323</b>	2 258 598
<b>Net operating surplus</b>		<b>(34 949)</b>	235 154
Net interest received	9	<b>95 020</b>	63 448
<b>Surplus for the year</b>		<b>60 071</b>	298 602
Accumulated funds at the beginning of the year		<b>8 210 116</b>	7 911 514
Transferred to Contingency fund	4.1 & 7.1	<b>(100 000)</b>	-
<b>Accumulated funds at the end of the year</b>		<b>8 170 187</b>	8 210 116

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Detail expenses

for the year ended 30 September

	Note	2022 R	2021 R
Accounting review		10 600	11 260
Admin - salaries		4 550	4 490
Aesthetics traveling and general		4 802	62 211
Bank charges		9 774	8 699
Computer expenses		2 478	2 874
Consulting fees - Environment		-	6 000
Depreciation	3	141 623	115 640
Electricity, water, rates and taxes		43 490	(16 158)
Fransmanshoek conservation		12 000	10 000
Functions, meetings and HOA activities		3 316	1 763
Game and nursery expenses		57 944	40 795
Gatehouse expenses		9 299	11 356
Insurance and risk analysis		91 584	87 633
Legal fees/CCMA		-	383
Life savers		24 000	-
Motor vehicle expenses		129 568	82 794
Ombud paid		28 080	28 080
Printing and stationery		12 273	8 675
Repair & maintenance - Alien eradication/weed control		91 606	92 623
Repair & maintenance - Buildings		44 957	3 434
Repair & maintenance - Boardwalk & Bird hides		93 077	39 636
Repair & maintenance - Equipment		11 992	6 507
Repair & maintenance - Fences		222 757	-
Repair & maintenance - General		21 266	8 715
Repair & maintenance - Roads		371 874	363 756
Repair & maintenance - Water		101 143	260 934
Repair & maintenance - Fire Breaks and Hydrants		11 034	12 864
Salaries and wages, including contract employees		896 116	867 951
Security		32 007	23 979
Sewage and refuge		33 200	29 991
Staff training		3 348	-
Staff uniforms		6 097	-
Staff welfare		5 277	2 295
Subscriptions including website		10 149	12 182
Telephone, fax and internet		43 983	45 073
Travel and subsistence		38 059	22 163
<b>Total Expenses</b>		<b>2 623 323</b>	<b>2 258 598</b>

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Statement of Cash Flows

for the year ended 30 September

	Note	2022 R	2021 R
Generated from :-			
<b>Operating activities</b>		<b>463 464</b>	449 279
Operations	A	236 146	209 384
Levies and other income	1.1	2 590 528	2 318 784
(Paid to) staff and suppliers		(2 354 382)	(2 109 400)
Net interest earned	9	95 020	63 448
Investment income	4	47 218	34 036
Scrutiny fee income		85 080	144 140
Bank charges on REVAG transfer	4.2	-	(1 729)
Paid to REVAG	4.2	-	-
<b>Investment activities</b>		<b>(520 041)</b>	(177 147)
(Increase)Decrease in investments	4	(147 218)	(32 307)
Improvements to communal property	2	(95 630)	(87 050)
Acquisition of fixed assets	3	(277 193)	(57 790)
<b>Financing activities</b>		<b>(280)</b>	(334)
(Decrease) in long term loans		-	-
Eskom Deposit		(280)	(334)
<b>Net (outflow)inflow</b>		<b>(56 857)</b>	271 798
<b>Cash and cash equivalents :-</b>			
- at the beginning of the year		1 927 842	1 656 044
- at the end of the year	6	1 870 985	1 927 842

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

Cash generated from the surplus		21 594	206 654
Net surplus before interest		(34 949)	235 154
Adjusted for depreciation		141 623	115 640
Other income		(85 080)	(144 140)
Decrease in working capital requirements		214 552	2 730
(Increase) in levies outstanding		87 234	(30 828)
Decrease(Increase) in trade debtors		19 248	(19 248)
Increase(Decrease) in accounts payable	8	108 070	52 806
Cash generated from operations		236 146	209 384



# 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

	2022	2021
	R	R
Cost - opening balance	5 755 858	5 668 808
Improvements during the year		
Bird hides and boardwalks	-	-
Fences	-	2 236
Roads	-	83 088
Water systems - borehole - also see note 3.2	95 630	1 726
<b>Communal property - Springerbaai farm</b>	<b>5 851 488</b>	<b>5 755 858</b>

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Notes to the Annual Financial Statements

for the year ended 30 September

		2022	2021
		R	R
	Depreciation for the year		
<b>3. Fixed assets</b>			
<b>3.1 Office furniture, equipment and computers</b>		<b>78 090</b>	66 420
Cost - opening balance		<b>135 203</b>	94 764
Additions		<b>26 573</b>	40 439
Accumulated depreciation		<b>(83 686)</b>	(68 783)
Opening balance		<b>(68 783)</b>	(55 674)
Depreciation for the year 10%	14 903	<b>(14 903)</b>	(13 109)
<b>3.2 Property equipment and sign boards</b>		<b>361 700</b>	201 190
Cost - opening balance		<b>289 062</b>	271 711
Additions - Borehole equipment		<b>207 750</b>	17 351
Accumulated depreciation		<b>(135 112)</b>	(87 872)
Opening balance		<b>(87 872)</b>	(60 671)
Depreciation for the year 10%	47 240	<b>(47 240)</b>	(27 201)
<b>3.3 Vehicles</b>		<b>234 500</b>	268 990
Cost - opening balance		<b>552 147</b>	552 147
Additions		<b>22 870</b>	-
Accumulated depreciation		<b>(340 517)</b>	(283 157)
Opening balance		<b>(283 157)</b>	(227 947)
Depreciation for the year 10%	57 360	<b>(57 360)</b>	(55 210)
<b>3.4 Gate security equipment</b>		<b>72 140</b>	74 260
Cost - opening balance		<b>201 238</b>	201 238
Additions		<b>20 000</b>	-
Accumulated depreciation 10%		<b>(149 098)</b>	(126 978)
Opening balance		<b>(126 978)</b>	(106 858)
Depreciation for the year 10%	22 120	<b>(22 120)</b>	(20 120)
	141 623	<b>746 430</b>	610 860

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Notes to the Annual Financial Statements

for the year ended 30 September

		2022	2021
		R	R
<b>4. Investments</b>			
<b>4.1 ABSA Fixed Deposit - Contingency fund</b>	(note 7.1)	<b>1 033 945</b>	896 442
At the beginning of the year		<b>896 442</b>	870 415
Transferred from 4.1 Standard bank equity		-	-
Transferred from general reserves		<b>100 000</b>	-
Interest earned		<b>37 503</b>	26 027
<b>4.2 ABSA Fixed Deposit - Revag fund</b>	(note 7.2)	<b>245 627</b>	235 912
Opening balance		<b>235 912</b>	229 632
Interest earned		<b>9 715</b>	8 009
Bank charges		-	(1 729)
Paid over to REVAG during the year		-	-
<b>Special Contributions invested</b>	- note 7	<b>1 279 572</b>	1 132 354
<b>5. Receivable from owners</b>			
	Per Unit	-	-
Outstanding at the beginning of the year		<b>112 283</b>	81 455
Levy income invoiced for the year(117 units)		<b>2 385 045</b>	2 269 800
117 units	20 385.00	<b>2 385 045</b>	2 269 800
117 units - amounts received		<b>(2 472 279)</b>	(2 238 972)
Outstanding at the end of the year		<b>25 049</b>	112 283
<b>6. Bank and Cash</b>			
Absa Money Market*		<b>1 780 830</b>	1 886 090
Absa Cheque account		<b>89 355</b>	41 640
Cash on hand		<b>800</b>	112
		<b>1 870 985</b>	1 927 842

\* The Money market account earns interest at 6.35% p.a. (2021 : 4.068%) calculated on the daily balance and capitalised monthly.

## Springerbaai Home Owners Association

An association not for gain - Established April 2003

### Notes to the Annual Financial Statements

Springerbaai Home Owners Association

		2022	2021
		R	R
<b>7. Special capital contributions</b>	Units		
<b>7.1 Contingency contribution fund</b> (note 4.1)		<b>1 033 945</b>	896 442
At the beginning of the year		<b>896 442</b>	870 415
Transferred from general reserves		<b>100 000</b>	-
Investment proceeds for the year		<b>37 503</b>	26 027
<b>7.2 REVAG Fund</b> (note 4.2)		<b>245 627</b>	235 912
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>85 547</b>	75 832
		<b>1 279 572</b>	1 132 354
<b>8. Accounts payable and provisions</b>			
Suppliers		<b>9 483</b>	16 031
Accounting Review fee accrual		<b>11 860</b>	11 860
Builders deposit		<b>180 000</b>	80 000
Donation received for future expenses		<b>3 765</b>	3 765
Owners with credit balances		<b>95 439</b>	81 178
Salary accruals		<b>5 989</b>	5 632
Leave provision		<b>26 000</b>	26 000
Amount outstanding at year end		<b>332 536</b>	224 466
<b>9. Net interest earned(paid)</b>			
Money market account		<b>94 740</b>	62 298
Eskom deposit		<b>280</b>	334
Levy arrears		<b>-</b>	816
		<b>95 020</b>	63 448