

Springerbaai Home Owners Association

An association not for gain - Established April 2003

Financial Statements

for the year ended 30 September 2023

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 2023, 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.

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Report of the Trustees

for the year ended 30 September 2023

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.

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Report of the Trustees

for the year ended 30 September 2023

5. Trustees

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

Wynand Pretorius (Chair)

Wim van Zyl

Charl van der Walt

Des Doyle

Ruben Opperman

Concha Shawe

6. Taxation

The Association has been exempted from Income Tax in terms of Section 10(e) of the Income Tax Act, but is taxable on investment income.

No provision for taxation was made in the financial statements.

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 :

Wynand Pretorius
Chair

Date :

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Statement of Financial Position

30 September

	Note	2023 R	2022 R
Assets			
Fixed property	2	6 284 376	5 851 488
Fixed assets	3	712 500	746 430
Investments	4	1 372 071	1 279 572
Eskom deposit		9 167	8 771
Current assets		1 862 442	1 896 034
Receivable from owners	5	133 571	25 049
Trade receivables - Game		-	-
Bank and Cash	6	1 728 871	1 870 985
Total Assets		10 240 556	9 782 295
Equity and Liabilities			
Reserves		9 883 844	9 449 759
Accumulated funds		8 511 773	8 170 187
Special capital contributions	7	1 372 071	1 279 572
Current liabilities			
Accounts payable and provisions	8	356 712	332 536
Total reserves and liabilities		10 240 556	9 782 295

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Statement of Income and Expenses

for the year ended 30 September

	Note	2023 R	2022 R
Turnover		2 782 284	2 588 374
Income		2 782 284	2 588 374
Management levies	1.1 & 5	2 547 207	2 385 045
Ombud Levy (117 units x R240)		28 080	28 080
Scrutiny fee - Aesthetics Committee		72 500	85 080
Game/Skin Sales		72 782	25 879
Gatehouse sales		7 300	13 330
Nursery sales		14 255	16 240
Wood sales		40 160	34 720
Detail expenses - Page 7		2 588 435	2 623 323
Net operating surplus		193 849	(34 949)
Net interest received	9	147 737	95 020
Surplus for the year		341 586	60 071
Accumulated funds at the beginning of the year		8 170 187	8 210 116
Transferred to Contingency fund	4.1 & 7.1	-	(100 000)
Accumulated funds at the end of the year		8 511 773	8 170 187

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Detail expenses

for the year ended 30 September

	Note	2023 R	2022 R
Accounting review		11 000	10 600
Admin - payroll		4 000	4 550
Aesthetics traveling and general		8 683	4 802
Bank charges		11 837	9 774
Computer expenses		5 204	2 478
Depreciation	3	148 327	141 623
Electricity, water, rates and taxes		(2 052)	43 490
Fransmanshoek conservation		10 760	12 000
Functions, meetings and HOA activities		4 991	3 316
Game and nursery expenses		47 517	57 944
Gatehouse expenses		13 225	9 299
Insurance		101 829	91 584
Legal fees/CCMA		-	-
Life savers		23 630	24 000
Motor vehicle expenses		142 263	129 568
Ombud paid		28 080	28 080
Printing and stationery		11 443	12 273
Repair & maintenance - Alien eradication/weed control		204 496	91 606
Repair & maintenance - Buildings		30 752	44 957
Repair & maintenance - Boardwalk & Bird hides		59 704	93 077
Repair & maintenance - Equipment		6 442	11 992
Repair & maintenance - Fences		212 318	222 757
Repair & maintenance - General		4 068	21 266
Repair & maintenance - Roads		293 935	371 874
Repair & maintenance - Water		29 721	101 143
Repair & maintenance - Fire Breaks and Hydrants		14 282	11 034
Salaries and wages, including contract employees		1 014 248	896 116
Security		22 342	32 007
Sewage and refuge		16 997	33 200
Staff training		10 283	3 348
Staff uniforms		5 607	6 097
Staff welfare		6 624	5 277
Subscriptions including website		14 479	10 149
Telephone, fax and internet		41 020	43 983
Travel and subsistence		30 380	38 059
Total Expenses		2 588 435	2 623 323

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Statement of Cash Flows

for the year ended 30 September

	Note	2023 R	2022 R
Generated from :-			
Operating activities		498 066	463 464
Operations	A	185 330	236 146
Levies and other income	1.1	2 601 262	2 590 528
(Paid to) staff and suppliers		(2 415 932)	(2 354 382)
Net interest earned	9	147 737	95 020
Investment income	4	92 499	47 218
Scrutiny fee income		72 500	85 080
Bank charges on REVAG transfer	4.2	-	-
Paid to REVAG	4.2	-	-
Investment activities		(639 784)	(520 041)
(Increase)Decrease in investments	4	(92 499)	(147 218)
Improvements to communal property	2	(432 888)	(95 630)
Acquisition of fixed assets	3	(114 397)	(277 193)
Financing activities		(396)	(280)
(Decrease) in long term loans		-	-
Eskom Deposit		(396)	(280)
Net (outflow)inflow		(142 114)	(56 857)
Cash and cash equivalents :-			
- at the beginning of the year		1 870 985	1 927 842
- at the end of the year	6	1 728 871	1 870 985

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

Cash generated from the surplus		269 676	21 594
Net surplus before interest		193 849	(34 949)
Adjusted for depreciation		148 327	141 623
Other income		(72 500)	(85 080)
Decrease in working capital requirements		(84 346)	214 552
(Increase) in levies outstanding		(108 522)	87 234
Decrease(Increase) in trade debtors		-	19 248
Increase(Decrease) in accounts payable	8	24 176	108 070
Cash generated from operations		185 330	236 146

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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

	2023	2022
	R	R
Cost - opening balance	5 851 488	5 755 858
Improvements during the year		
Bird hides and boardwalks	-	-
Fences	-	-
Roads - Mole barriers	432 888	-
Water systems - borehole	-	95 630
Communal property - Springerbaai farm	6 284 376	5 851 488

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Notes to the Annual Financial Statements

for the year ended 30 September

		2023	2022
		R	R
	Depreciation for the year		
3. Fixed assets			
3.1 Office furniture, equipment and computers		71 800	78 090
Cost - opening balance		161 776	135 203
Additions		8 544	26 573
Accumulated depreciation		(98 520)	(83 686)
Opening balance		(83 686)	(68 783)
Depreciation for the year 10%	14 834	(14 834)	(14 903)
3.2 Property equipment and sign boards		385 100	361 700
Cost - opening balance		496 812	289 062
Additions - Borehole equipment		74 853	207 750
Accumulated depreciation		(186 565)	(135 112)
Opening balance		(135 112)	(87 872)
Depreciation for the year 10%	51 453	(51 453)	(47 240)
3.3 Vehicles		193 700	234 500
Cost - opening balance		575 017	552 147
Additions		18 000	22 870
Accumulated depreciation		(399 317)	(340 517)
Opening balance		(340 517)	(283 157)
Depreciation for the year 10%	58 800	(58 800)	(57 360)
3.4 Gate security equipment		61 900	72 140
Cost - opening balance		221 238	201 238
Additions		13 000	20 000
Accumulated depreciation 10%		(172 338)	(149 098)
Opening balance		(149 098)	(126 978)
Depreciation for the year 10%	23 240	(23 240)	(22 120)
	148 327	712 500	746 430

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Notes to the Annual Financial Statements

for the year ended 30 September

		2023 R	2022 R
4. Investments			
4.1 ABSA Fixed Deposit - Contingency fund	(note 7.1)	1 107 954	1 033 945
At the beginning of the year		1 033 945	896 442
Transferred from general reserves		-	100 000
Interest earned		74 009	37 503
4.2 ABSA Fixed Deposit - Revag fund	(note 7.2)	264 117	245 627
Opening balance		245 627	235 912
Interest earned		18 490	9 715
Paid over to REVAG during the year		-	-
Special Contributions invested	- note 7	1 372 071	1 279 572
5. Receivable from owners			
	Per Unit	-	-
Outstanding at the beginning of the year		25 049	112 283
Levy income invoiced for the year(117 units)		2 547 207	2 385 045
117 units	21 771.00	2 547 207	2 385 045
117 units - amounts received		(2 438 685)	(2 472 279)
Outstanding at the end of the year		133 571	25 049
An amount of R110 958 was collected in October 2023			
6. Bank and Cash			
Absa Money Market*		1 558 172	1 780 830
Absa Cheque account		168 429	89 355
Cash on hand		2 270	800
		1 728 871	1 870 985

* The Money market account earns interest at 7.965% p.a. (2022 : 6.35%) calculated on the daily balance and capitalised monthly.

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2023

2022

R

R

7. Special capital contributions	Units		
7.1 Contingency contribution fund (note 4.1)		1 107 954	1 033 945
At the beginning of the year		1 033 945	896 442
Transferred from general reserves		-	100 000
Investment proceeds for the year		74 009	37 503
7.2 REVAG Fund (note 4.2)		264 117	245 627
Contributions - R2,000 per unit	116	232 000	232 000
Paid over to REVAG prior years		(71 920)	(71 920)
Net Investment proceeds to date		104 037	85 547
		1 372 071	1 279 572
8. Accounts payable and provisions			
Suppliers		9 827	9 483
Accounting Review fee accrual		11 860	11 860
Builders deposits		90 000	180 000
Donations received for staff welfare		30 822	3 765
Owners with credit balances		177 365	95 439
Salary accruals		7 224	5 989
Leave provision		26 000	26 000
Unknown deposits		3 614	-
Amount outstanding at year end		356 712	332 536
9. Net interest earned(paid)			
Money market account		147 342	94 740
Eskom deposit		395	280
		147 737	95 020