

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**(Registration Number 1996/013332/08)**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 28 February 2015**

Van Sitterts  
Chartered Accountants (S.A.)  
Registered Auditors  
Issued 23 June 2015

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 28 February 2015**

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

<b>Index</b>	<b>Page</b>
Report of the independent auditors	2
Report of the directors	3 - 4
Statement of financial position	5
Statement of comprehensive income	6 - 7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 14

The following supplementary schedules do not form part of the financial statements, and are unaudited.

Taxation computation	15
Other schedule	16

**Approval**

The financial statements which appear on pages 3 to 14 were approved by the directors on 23 June 2015

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**Pretoria**

**23 June 2015**



**van sitters**

**Geregistreeerde Ouditeure  
Registered Auditors**

**Du Toit Incorporated**      **Reg no. 1999/009532/21**  
Practice no: 964689  
Centurion Gate Office Park  
Building 1  
Cnr John Vorster Drive & Akkerboom Street  
Centurion, 0157  
PO Box 26342, Monumentpark, 0105  
Tel +27 12 641 0800 Fax +27 12 641 0851  
e-mail: vsit@mweb.co.za

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**

We have audited the annual financial statements of Waterkloof Boulevard Home Owners Association, which comprise the balance sheet as at 28 February 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out.

**Directors' Responsibility for the Financial Statements**

The home owners association's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small to Medium-sized Entities, and in the manner required by the Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the home owners association at 28 February 2015 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small to Medium-sized Entities and Companies Act, appropriate to the business.

**Supplementary information**

The supplementary schedules set out on pages 15 to 16 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

**Van Sitters**  
**Chartered Accountants (S.A.)**

Cape Town Office: Unit B, Vredehoek Centre, Brackenfell Boulevard, Brackenfell  
Registered Auditors 20, Cape Gate, 7562

Tel +27 21 981-1979 Fax +27 21 981-1219 E-mail: louis@lgt.co.za Cell: 082 926 8376

**Per: G van Schalkwyk**

Halffield Office: 1039 Pretorius Street, Halffield, Pretoria, 0083

PO Box 1751, Pretoria, 0001

Tel +27 12 342-1800 Fax + 12 342-1954

Pretoria

20 June 2015

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
for the year ended 28 February 2015

The directors present their report for the year ended 28 February 2015. This report forms part of the audited financial statements.

**1. Business and operations**

The home owners association's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

**2. Statements of responsibility**

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with International Standards on Auditing. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small to Medium-sized Entities and in the manner required by the Companies Act in South Africa.

The directors are also responsible for the home owners 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 directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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

**3. Directors**

The directors of the home owners association during the accounting period and up to the date of this report were as follows:

PR Anderson  
DJ Gey van Pittius  
JF Grobler  
A La Ruffa  
P Lattuca  
T Marais  
HJ van der Merwe  
DS van Loggerenberg

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
for the year ended 28 February 2015

**4. Managing agent**

The managing agent of the home owners association is Pretor Estates (Pty) Ltd, whose business and postal addresses are:

River Falls Office Park  
262 Rose Avenue  
Doringkloof  
0157

Private Bag X115  
Centurion  
0046

**5. Auditors**

Van Sitterts will continue in office in accordance with the Companies Act, if so re-elected by the members at the Annual General Meeting.

**6. Secretary**

The secretary of the home owners association is Pretor Estates (Pty) Ltd, whose business and postal addresses are:

River Falls Office Park  
262 Rose Avenue  
Doringkloof  
0157

Private Bag X115  
Centurion  
0046

**7. Directors' interest in contracts**

During the financial year, no contracts were entered into which directors or officers of the home owners association had an interest and which significantly affected the business of the home owners association..

**8. Post balance sheet events**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

**9. City of Tshwane refund**

The directors were successful in obtaining a refund of R 801 584 from City of Tshwane for the overcharging of rates and taxes. The amount has been credited to the municipal account of the home owners association. Further steps have been taken to get the full refund of the overcharged returned to the association by the municipality.

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
as at 28 February 2015

	Notes	2015 R	2014 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	41,083	41,083
<b>Current assets</b>			
Trade and other receivables	10	2,742,273	2,544,527
Cash and cash equivalents	11	1,795,871	1,509,689
		946,402	1,034,838
<b>Total assets</b>		<u>2,783,356</u>	<u>2,585,610</u>
<b>Capital and liabilities</b>			
<b>Capital and reserves</b>			
Accumulated reserves		1,921,033	1,499,202
<b>Current liabilities</b>			
Taxation payable		862,323	1,086,408
Trade and other payables	12	2,153	3,747
Nature Valley fund		420,254	557,269
		439,916	525,392
<b>Total capital and liabilities</b>		<u>2,783,356</u>	<u>2,585,610</u>

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 28 February 2015

		2015 R	2014 R
<b>Gross revenue</b>	5	4,905,760	4,409,289
Ordinary levies		4,537,160	3,237,136
Special levies	9	368,600	1,172,153
<b>Other income</b>		844,522	920,424
Access cards recovered		1,259	6,379
Accreditation fees recovered		2,000	4,491
Building penalty levies		603,027	643,986
Interest received	7	201,336	258,368
Maintenance recovered		24,480	-
Pavement recovered		9,000	5,000
Penalties charged		3,000	-
Security recovered		-	1,000
Sundry income		420	1,200
<b>Total income</b>		5,750,282	5,329,713
<b>Expenditure (Refer to page 7)</b>		5,285,359	6,038,510
<b>Profit/(loss) before taxation</b>		464,923	(708,797)
Taxation	8	43,092	61,159
Profit/(loss) after taxation		421,831	(769,956)
Retained profit at beginning of year		1,499,202	2,269,158
Retained profit at end of year		1,921,033	1,499,202

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 28 February 2015

		2015 R	2014 R
<b>Expenditure</b>		5,285,359	6,038,510
Administration fees wages		2,174	1,694
Auditors' remuneration	4	17,111	9,818
Bank charges		14,736	10,937
Bad debts		36,078	-
Consulting fees		16,465	15,114
Debit order discount		73,342	65,399
Depreciation		-	30,812
Entertainment		4,512	5,122
Insurance	15	86,752	49,363
Insurance claims		543	391
Interest paid		55	172
Legal expenses		55,058	1,576
Managing agent fees		160,489	130,382
Meeting costs		1,100	2,000
Municipal charges	14	8,996	627,138
Postage		181	118
Printing and stationery		4,906	7,796
Refuse removal		-	4,561
Repairs and maintenance	13	694,100	746,531
Salaries and wages		684,818	639,965
Security	6	2,733,648	2,236,661
Special projects	3	578,925	1,395,603
Staff welfare		-	1,470
Subscription and registration		25,418	2,500
Taxation fees		7,446	7,581
Telephone and internet		68,455	45,060
Uniforms		5,060	746
Workmens compensation		4,991	-



**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 28 February 2015

	<b>Distributable reserve R</b>
Balance at 01 March 2013	2,269,158
Net deficit for the year	<u>(769,956)</u>
Balance at 01 March 2014	1,499,202
Net surplus for the year	<u>421,831</u>
Balance at 28 February 2015	<u><u>1,921,033</u></u>

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**CASH FLOW STATEMENT**  
for the year ended 28 February 2015

	Notes	2015 R	2014 R
<b>Cash flows from operating activities</b>			
Cash receipts from members		6,137,202	5,138,031
Cash paid to suppliers and employees		<u>(6,382,233)</u>	<u>(5,942,374)</u>
Cash utilised in operating activities	16.1	(245,031)	(804,343)
Interest received		201,336	258,368
Interest paid		(55)	(172)
Taxation paid	16.2	<u>(44,686)</u>	<u>(57,504)</u>
Net cash from operating activities		<u>(88,436)</u>	<u>(603,651)</u>
Decrease in cash and cash equivalents		(88,436)	(603,651)
Cash and cash equivalents at beginning of the year	16.3	<u>1,034,838</u>	<u>1,638,489</u>
Cash and cash equivalents at end of the year	16.3	<u>946,402</u>	<u>1,034,838</u>

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

**1 Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards for Small to Medium-sized Entities. The financial statements are prepared under the historical cost convention.

**1.1 Revenue recognition**

Levies are recognised as revenue once owners are invoiced.

**1.2 Property, plant and equipment**

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Motor vehicles 20 %

**1.3 Taxation**

The home owners association is taxed in terms of section 10(1)(e) of the Income Tax Act of 1962. This section provides for the exemption of levy income tax provided that the home owners association applies to its local Revenue office for such exemption.

**1.4 Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

**1.5 Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**2. Property, plant and equipment**

		2015		2014		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Motor vehicles	123,248	82,165	41,083	123,248	82,165	41,083

The carrying amounts of property, plant and equipment can be reconciled as follows:

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

**2. Property, plant and equipment (continued) -**

	Carrying value at beginning of year	Depreciation	Carrying value at end of year
2014			
<i>Owned assets</i>			
Motor vehicles	71,895	(30,812)	41,083
<hr/>			
	Carrying value at beginning of year	Depreciation	Carrying value at end of year
2015			
<i>Owned assets</i>			
Motor vehicles	41,083	-	41,083
<hr/>			

A register containing details of the property, plant and equipment is available at the registered office of the home owners association.

	2015 R	2014 R
<b>3. Special projects</b>		
Garden Terraces	63,846	44,112
Garden The Hills	53,144	74,137
Garden Tuscany	67,243	56,795
Garden Pavillion	26,092	48,405
Nature Valley : current year	454,076	646,762
Nature Valley : recovered / unutilised funds	(85,476)	525,392
	<u>578,925</u>	<u>1,395,603</u>

**4. Provision for audit fees**

Audit fees are remuneration for the audit and compilation of the financial statements for the previous financial year. No provision has been made for the current financial year.

**5. Gross revenue**

Gross revenue comprises levies, which excludes value-added tax and represents the levies recovered from owners.

	2015 R	2014 R
<b>6. Security</b>		
Security services	2,308,229	1,728,817
Security armed response	-	182,346
Security maintenance	86,384	46,549
Guardhouse upgrade	339,035	278,949
	<u>2,733,648</u>	<u>2,236,661</u>

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

	2015 R	2014 R
<b>7. Interest received</b>		
Interest income		
- Interest received - bank and investments	52,149	54,643
- Interest received - members	149,187	203,725
	<u>201,336</u>	<u>258,368</u>
	2015 R	2014 R
<b>8. Taxation</b>		
South African normal tax		
- Current tax	43,092	58,451
- Prior year adjustments	-	2,708
Tax for the year	<u>43,092</u>	<u>61,159</u>
	2015 R	2014 R
<b>9. Special levies</b>		
Nature Valley	<u>368,600</u>	<u>1,172,153</u>
	2015 R	2014 R
<b>10. Trade and other receivables</b>		
Debtors for levies	977,218	1,288,737
Payments in advance: security	-	183,424
VAT control	-	8,525
Water receivable	10,947	-
Sundry debtors - Abrina	-	18,058
Staff loans	-	1,150
Assessment rates receivable	801,584	3,114
Municipal deposit	6,122	6,681
	<u>1,795,871</u>	<u>1,509,689</u>
	2015 R	2014 R
<b>11. Cash and cash equivalents</b>		
Pretor estate trust account	237,598	37,405
Nedbank cheque account	37,717	38,439
Pretor investment account	82,392	385,815
Investment account - Abrina	177,666	168,762
Nedbank investment account	408,688	394,083
Petty cash - Abrina	-	7,840
Petty cash	2,341	2,494
	<u>946,402</u>	<u>1,034,838</u>

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

	2015 R	2014 R
<b>12. Trade and other payables</b>		
Building deposit	48,230	204,540
Levy refunds	6,599	11,649
Water payable	-	15,495
Electricity payable	622	5,332
Rates payable	-	49,815
Levies in advance	209,764	152,536
Bad debt provision	19	19
Sundry payables	42,020	13,875
Security payable	-	1,008
Estate agents deposits	83,000	83,000
Contractors deposit refundable	30,000	20,000
	420,254	557,269

	2015 R	2014 R
<b>13. Repairs and maintenance</b>		
Electrical	22,973	44,631
Fire services	2,411	2,285
Garden services	565,972	456,000
General	162,071	115,358
Cleaning	5,612	4,924
Garden	29,586	108,617
Recovery building deposits	(148,810)	-
Plumbing	8,291	7,929
Equipment	-	5,410
Road	44,710	-
Motor vehicles	1,284	1,377
	694,100	746,531

	2015 R	2014 R
<b>14. Municipal charges</b>		
Water	112,190	143,413
Sanitation	9,286	8,811
Electricity	53,957	42,165
Assessment rates	635,147	432,749
Recovery	(801,584)	-
	8,996	627,138

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

**15. Insurance**

The home owners association is insured with Santam Insurance Limited, policy number: COM1035392, for the period 1 March 2014 to 28 February 2015 and is payable in monthly instalments.

**16. Notes to the cash flow statement**

	2015 R	2014 R
<i>16.1 Cash utilised in operating activities</i>		
Net profit/(loss) before taxation	464,923	(708,797)
Adjustments for:		
Depreciation	-	30,812
Interest received	(201,336)	(258,368)
Finance costs	55	172
	263,642	(936,181)
Movements in working capital:		
Increase in accounts receivable	(286,182)	(282,738)
Decrease in accounts payable	(137,015)	(110,816)
(Decrease)/increase in nature valley fund	(85,476)	525,392
	(245,031)	(804,343)
	<b>2015</b> R	<b>2014</b> R

*16.2 Reconciliation of taxation paid during year*

Charge in income statement	(43,092)	(61,159)
Movement in taxation balance	(1,594)	3,655
Payments made	(44,686)	(57,504)
	<b>2015</b> R	<b>2014</b> R

*16.3 Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash and cash equivalents	946,402	1,034,838
---------------------------	---------	-----------

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**  
**9321/010/64/8**  
**TAX COMPUTATION**  
**28 February 2015**

Ref

<b>Total income</b>	5,750,282		B
Interest received	201,336		A
Sundry income	420		A
Ordinary levies	4,537,160		D
Access cards recovered	1,259		D
Pavement recovered	9,000		D
Building penalty levies	603,027		D
Maintenance recovered	24,480		D
Special levies	368,600		D
Accreditation fees recoveries	2,000		D
Penalties charges	3,000		A
<b>Total income</b>	<b>5,750,282</b>		
Less exempt from normal tax section 10(1)(e)	5,545,526		
Less basic exemption	50,000		
<b>TOTAL TAXABLE INCOME</b>	<b>154,756</b>		<b>E</b>
<b>Allowable deductions</b>			
Audit fees	17,111		
Bank charges	14,736		
<b>Total allowable deductions</b>	<b>31,847</b>		<b>C</b>
<b>Apportionment of allowable deductions E/B x C/1</b>	<b>857</b>		
Total taxable income	154,756		
Less apportionment of allowable deductions	(857)		
<b>Taxable income for 2015</b>	<b>153,899</b>		
<b>Taxation thereon @ 28c in the Rand</b>	<b>43,092</b>		
<b>Tax liability</b>			
Amount owing/(prepaid) at the beginning of year	3,747		
Prior year adjustment	28		
Amount refunded/(paid) in respect of prior year	(3,775)		
Amount owing/(prepaid) in respect of prior year	-		
Tax owing/(prepaid) for the current year			
Normal tax	43,092		
Per calculation	(40,939)		
1st provisional payment	(36,363)		
2nd provisional payment	(4,576)		
<b>Amount owing/(prepaid) at the end of year</b>	<b>2,153</b>		



**WATERKLOOF BOULEVARD HOA**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**for the year ended 28 February 2015**

**DEBTORS LIST AS AT 28 FEBRUARY 2015**  
**LEVIES IN ARREARS**

Name		Total
HAMER D	191B	35,200.00
FORBES A	199B	7,562.00
MORULA COMMUNICATIONS	126A	54,868.00
MKHONDO	92A	733,613.00
TSHABALALA	95A	77,991.00
LAOSEBIKAN	17A	5,448.00
MOGOROSI TM	33B	11,592.00
DE BEER DCF	34B	15,540.00
ZANDBERG JG	175A	24,774.00
OTHER OUTSTANDING LEVIES UNDER R5,000		10,629.00
LEVIES IN ARREARS		<u>977,217.00</u>

**CREDITORS AGE ANALYSIS for 28 FEBRUARY 2015**

Name	Total
BAD DEBTS	20.00
CITY OF TSHWANE	423.00
CONTRACTORS DEPOSITS	30,000.00
ESTATE AGENT DEPOSITS	83,000.00
IMPACT METER SERVICES	199.00
LEVY REFUNDS	6,598.00
NELSON KWEKERY	4,650.00
NEWLANDS GARDENS	3,520.00
PRETORIA DROMDIENSTE	2,700.00
GMSI	10,793.00
AD-HOC PLUMBERS	821.00
DUBO CONSEPT	19,535.00
PAVEMENT DEPOSITS	48,230.00
TOTAL	<u>210,489.00</u>