

**ELDO LAKES ESTATE HOMEOWNERS ASSOCIATION NPC**  
(Registration number 2006/024079/08)  
Annual Financial Statements  
for the year ended 28 February, 2021

**du toit mook**  

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registered auditors

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## General Information

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| <b>Country of incorporation and domicile</b>       | South Africa   |
| <b>Nature of business and principal activities</b> | Homeowners Association   |
| <b>Directors</b>                                   | JJ Breedt<br>FA Laas<br>MP Sebothoma<br>MZ Bodhania<br>SW Strydom<br>M Wylie<br>SM Dockrat |
| <b>Auditors</b>                                    | Du Toit Mook<br>Chartered Accountants (SA)<br>Registered Auditors                          |
| <b>Company registration number</b>                 | 2006/024079/08   |
| <b>Tax reference number</b>                        | 9083376161   |

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

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# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

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## Directors' Responsibilities and Approval

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The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February, 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the board of directors on 31 August, 2021 and were signed on its behalf by:

Director



# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Eldo Lakes Estate Homeowners Association NPC for the year ended 28 February, 2021.

### 1. Nature of business

Eldo Lakes Estate Homeowners Association NPC was incorporated in South Africa with interests in the homeowners association sector. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

The directors in office at the date of this report are as follows:

#### Directors

JJ Breedt  
FA Laas  
MP Sebothoma  
MZ Bodhania  
SW Strydom  
M Wylie  
SM Dockrat

There have been no changes to the directorate for the period under review.

### 4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 28 February, 2021 the company's investment in property, plant and equipment amounted to R2,729,242 (2020:R3,043,112), of which R35,770 (2020: R95,632) was added in the current year through additions.

### 5. Events after the reporting period

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

### 6. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 7. Auditors

Du Toit Mook continued in office as auditors for the company for 2021.

To the Director of Eldo Lakes Estate Homeowners Association NPC

## Opinion

We have audited the annual financial statements of Eldo Lakes Estate Homeowners Association NPC (the company) set out on pages 7 to 16, which comprise the statement of financial position as at 28 February, 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Eldo Lakes Estate Homeowners Association NPC as at 28 February, 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Eldo Lakes Estate Homeowners Association NPC annual financial statements for the year ended 28 February, 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 17 to 18. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

# Independent Auditor's Report

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As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Du Toit Mook**  
**Chartered Accountants (SA)**  
**Registered Auditors**

31 August, 2021

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# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Statement of Financial Position as at 28 February, 2021

| Figures in Rand                     | Note(s) | 2021             | 2020             |
|-------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                       |         |                  |                  |
| Non-Current Assets                  |         |                  |                  |
| Property, plant and equipment       | 2       | 2,729,242        | 3,043,112        |
| Current Assets                      |         |                  |                  |
| Trade and other receivables         | 3       | 451,630          | 399,032          |
| Cash and cash equivalents           | 4       | 298,162          | 509,600          |
|                                     |         | <b>749,792</b>   | <b>908,632</b>   |
| <b>Total Assets</b>                 |         | <b>3,479,034</b> | <b>3,951,744</b> |
| <b>Equity and Liabilities</b>       |         |                  |                  |
| <b>Equity</b>                       |         |                  |                  |
| Reserves                            |         | 2,820,189        | 2,820,189        |
| Retained income                     |         | 248,671          | 271,975          |
|                                     |         | <b>3,068,860</b> | <b>3,092,164</b> |
| <b>Liabilities</b>                  |         |                  |                  |
| Current Liabilities                 |         |                  |                  |
| Trade and other payables            | 5       | 401,067          | 850,473          |
| Current tax payable                 | 6       | 9,107            | 9,107            |
|                                     |         | <b>410,174</b>   | <b>859,580</b>   |
| <b>Total Equity and Liabilities</b> |         | <b>3,479,034</b> | <b>3,951,744</b> |



# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Statement of Comprehensive Income

| Figures in Rand                                       | Note(s) | 2021            | 2020            |
|---|---------|-----------------|-----------------|
| Revenue   | 7       | 4,330,007       | 3,993,911       |
| Other income  | 8       | 248,727         | 12,427          |
| Operating expenses                                    |         | (4,665,396)     | (4,025,278)     |
| <b>Operating loss</b>                                 | 9       | <b>(86,662)</b> | <b>(18,940)</b> |
| Investment revenue                                    | 12      | 63,358          | 93,019          |
| <b>(Loss) profit before taxation</b>                  |         | <b>(23,304)</b> | <b>74,079</b>   |
| Taxation  | 13      | -               | (9,107)         |
| <b>(Loss) profit for the year</b>                     |         | <b>(23,304)</b> | <b>64,972</b>   |
| Other comprehensive income                            |         | -               | -               |
| <b>Total comprehensive (loss) income for the year</b> |         | <b>(23,304)</b> | <b>64,972</b>   |

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Statement of Changes in Equity

| Figures in Rand                                | Non-distributable reserves | Retained income | Total equity     |
|--|----------------------------|-----------------|------------------|
| <b>Balance at 1 March, 2019</b>                | <b>3,022,088</b>           | <b>207,003</b>  | <b>3,229,091</b> |
| Profit for the year                            | -                          | 64,972          | 64,972           |
| Other comprehensive income                     | (201,899)                  | -               | (201,899)        |
| <b>Total comprehensive income for the year</b> | <b>(201,899)</b>           | <b>64,972</b>   | <b>(136,927)</b> |
| <b>Balance at 1 March, 2020</b>                | <b>2,820,189</b>           | <b>271,975</b>  | <b>3,092,164</b> |
| Loss for the year                              | -                          | (23,304)        | (23,304)         |
| <b>Total comprehensive loss for the year</b>   | <b>-</b>                   | <b>(23,304)</b> | <b>(23,304)</b>  |
| <b>Balance at 28 February, 2021</b>            | <b>2,820,189</b>           | <b>248,671</b>  | <b>3,068,860</b> |

Note(s)

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Statement of Cash Flows

| Figures in Rand                             | Note(s) | 2021             | 2020             |
|---|---------|------------------|------------------|
| <b>Cash flows from operating activities</b> |         |                  |                  |
| Cash receipts from customers                |         | 4,352,335        | 4,245,679        |
| Cash paid to suppliers and employees        |         | (4,591,361)      | (4,668,195)      |
| Cash used in operations                     | 15      | (239,026)        | (422,516)        |
| Interest income                             |         | 63,358           | 93,019           |
| <b>Net cash from operating activities</b>   |         | <b>(175,668)</b> | <b>(329,497)</b> |
| <b>Cash flows from investing activities</b> |         |                  |                  |
| Purchase of property, plant and equipment   | 2       | (35,770)         | (95,632)         |
| <b>Total cash movement for the year</b>     |         | <b>(211,438)</b> | <b>(425,129)</b> |
| Cash at the beginning of the year           |         | 509,600          | 934,729          |
| <b>Total cash at end of the year</b>        | 4       | <b>298,162</b>   | <b>509,600</b>   |

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

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| Item                   | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Land and Buildings     | Straight line       | 20 years            |
| Plant and machinery    | Straight line       | 6 years             |
| Furniture and fixtures | Straight line       | 6 years             |
| Office equipment       | Straight line       | 6 years             |
| Electronic equipment   | Straight line       | 20 years            |
| Security equipment     | Straight line       | 5 years             |

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Accounting Policies

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### 1.2 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.3 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.4 Impairment of assets

The homeowners association assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Accounting Policies

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### 1.5 Revenue

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 2. Property, plant and equipment

|                        | 2021                |                          |                  | 2020                |                          |                  |
|------------------------|---------------------|--------------------------|------------------|---------------------|--------------------------|------------------|
|                        | Cost or revaluation | Accumulated depreciation | Carrying value   | Cost or revaluation | Accumulated depreciation | Carrying value   |
| Electronic equipment   | 4,037,974           | (2,826,583)              | 1,211,391        | 4,037,974           | (2,624,684)              | 1,413,290        |
| Furniture and fixtures | 27,014              | (23,610)                 | 3,404            | 27,014              | (19,863)                 | 7,151            |
| Land and Buildings     | 1,457,230           | (139,493)                | 1,317,737        | 1,457,230           | (126,157)                | 1,331,073        |
| Office equipment       | 12,024              | (3,867)                  | 8,157            | 3,125               | (3,125)                  | -                |
| Plant and machinery    | 744,979             | (670,762)                | 74,217           | 718,108             | (624,202)                | 93,906           |
| Security equipment     | 753,765             | (639,429)                | 114,336          | 753,765             | (556,073)                | 197,692          |
| <b>Total</b>           | <b>7,032,986</b>    | <b>(4,303,744)</b>       | <b>2,729,242</b> | <b>6,997,216</b>    | <b>(3,954,104)</b>       | <b>3,043,112</b> |

#### Reconciliation of property, plant and equipment - 2021

|                        | Opening balance  | Additions     | Depreciation     | Closing balance  |
|------------------------|------------------|---------------|------------------|------------------|
| Electronic equipment   | 1,413,290        | -             | (201,899)        | 1,211,391        |
| Furniture and fixtures | 7,151            | -             | (3,747)          | 3,404            |
| Land and buildings     | 1,331,073        | -             | (13,336)         | 1,317,737        |
| Plant and machinery    | 93,906           | 26,871        | (46,560)         | 74,217           |
| Office equipment       | -                | 8,899         | (742)            | 8,157            |
| Security equipment     | 197,692          | -             | (83,356)         | 114,336          |
|                        | <b>3,043,112</b> | <b>35,770</b> | <b>(349,640)</b> | <b>2,729,242</b> |

#### Reconciliation of property, plant and equipment - 2020

|                        | Opening balance  | Additions     | Depreciation     | Closing balance  |
|------------------------|------------------|---------------|------------------|------------------|
| Electronic equipment   | 1,615,189        | -             | (201,899)        | 1,413,290        |
| Furniture and fixtures | 8,172            | -             | (1,021)          | 7,151            |
| Land and buildings     | 1,344,409        | -             | (13,336)         | 1,331,073        |
| Plant and machinery    | 59,745           | 46,364        | (12,203)         | 93,906           |
| Security equipment     | 246,228          | 49,268        | (97,804)         | 197,692          |
|                        | <b>3,273,743</b> | <b>95,632</b> | <b>(326,263)</b> | <b>3,043,112</b> |

### 3. Trade and other receivables

|                    |                |                |
|--------------------|----------------|----------------|
| Trade receivables  | 551,630        | 399,032        |
| Bad debt provision | (100,000)      | -              |
|                    | <b>451,630</b> | <b>399,032</b> |

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

|               |         |         |
|---------------|---------|---------|
| Bank balances | 298,162 | 509,600 |
|---------------|---------|---------|

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Notes to the Annual Financial Statements

| Figures in Rand   | 2021             | 2020             |
|---|------------------|------------------|
| <b>5. Trade and other payables</b>  |                  |                  |
| Trade payables  | 91,343           | 749,468          |
| Amounts received in advance   | 268,719          | -                |
| Deposits received   | 41,000           | 101,000          |
| Other payables  | 5                | 5                |
|   | <b>401,067</b>   | <b>850,473</b>   |
| <b>6. Current tax payable (receivable)</b>  |                  |                  |
| The current tax payable is R9 107 (2020: R9 107).                                   |                  |                  |
| <b>7. Revenue</b>   |                  |                  |
| Normal levies   | 3,377,216        | 3,022,184        |
| Heights levies  | 929,727          | 929,727          |
| Penalty levies  | 23,064           | 42,000           |
|   | <b>4,330,007</b> | <b>3,993,911</b> |
| <b>8. Other income</b>  |                  |                  |
| Agents registration fee   | -                | 1,000            |
| Insurance income  | 248,727          | 11,427           |
|   | <b>248,727</b>   | <b>12,427</b>    |
| <b>9. Operating loss</b>  |                  |                  |
| Operating loss for the year is stated after accounting for the following:           |                  |                  |
| Depreciation on property, plant and equipment                                       | 349,639          | 124,364          |
| Employee costs  | 669,420          | 646,030          |
| <b>10. Employee cost</b>  |                  |                  |
| <b>Employee costs</b>   |                  |                  |
| Basic   | 596,739          | 581,746          |
| PAYE  | 72,681           | 64,284           |
|   | <b>669,420</b>   | <b>646,030</b>   |
| <b>11. Depreciation, amortisation and impairments</b>                               |                  |                  |
| The following items are included within depreciation, amortisation and impairments: |                  |                  |
| <b>Depreciation</b>   |                  |                  |
| Property, plant and equipment   | 349,639          | 124,364          |
| <b>12. Investment revenue</b>   |                  |                  |
| <b>Interest revenue</b>   |                  |                  |
| Interest received on arrear levies  | 49,169           | 46,438           |
| Bank  | 14,189           | 46,581           |
|   | <b>63,358</b>    | <b>93,019</b>    |



# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Notes to the Annual Financial Statements

| Figures in Rand   | 2021               | 2020               |
|---|--------------------|--------------------|
| <b>13. Taxation</b>                                       |                    |                    |
| <b>Major components of the tax expense</b>                |                    |                    |
| <b>Current taxation</b>                                   |                    |                    |
| South African normal tax - year                           | -                  | 9,107              |
| <b>Reconciliation of the tax expense</b>                  |                    |                    |
| Reconciliation between accounting profit and tax expense. |                    |                    |
| Accounting (loss) profit                                  | (23,304)           | 74,079             |
| Tax at the applicable tax rate of 28% (2020: 28%)         | (6,525)            | 20,742             |
| <b>Tax effect of adjustments on taxable income</b>        |                    |                    |
| <b>Exempt income</b>                                      |                    |                    |
| Levy exemption in terms of s10(1)(e)(i)                   | (1,212,402)        | (1,118,295)        |
|   | <b>(1,212,402)</b> | <b>(1,118,295)</b> |
| <b>Other</b>  |                    |                    |
| Prior period adjustments                                  | -                  | 3,797              |
| Expenses attributable to exempt income                    | 1,232,927          | 1,116,863          |
| Other income exemption in terms of s10(1)(e)(i)           | (14,000)           | (14,000)           |
|   | <b>1,218,927</b>   | <b>1,106,660</b>   |
|   | -                  | 9,107              |
| <b>14. Auditor's remuneration</b>                         |                    |                    |
| Fees  | 32,133             | 36,338             |
| <b>15. Cash used in operations</b>                        |                    |                    |
| (Loss) profit before taxation                             | (23,304)           | 74,079             |
| <b>Adjustments for:</b>                                   |                    |                    |
| Depreciation and amortisation                             | 349,639            | 124,364            |
| Interest received   | (63,358)           | (93,019)           |
| Rounding  | 1                  | 1                  |
| <b>Changes in working capital:</b>                        |                    |                    |
| Trade and other receivables                               | (52,598)           | (251,768)          |
| Trade and other payables                                  | (449,406)          | (276,173)          |
|   | <b>(239,026)</b>   | <b>(422,516)</b>   |

### 16. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

# Eldo Lakes Estate Homeowners Association NPC

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Detailed Income Statement

| Figures in Rand                            | Note(s) | 2021             | 2020             |
|--|---------|------------------|------------------|
| <b>Revenue</b>                             |         |                  |                  |
| Heights levies                             |         | 929,727          | 929,727          |
| Normal levies                              |         | 3,377,216        | 3,022,184        |
| Penalty levies                             |         | 23,064           | 42,000           |
|  | 7       | <b>4,330,007</b> | <b>3,993,911</b> |
| <b>Other income</b>                        |         |                  |                  |
| Agents registration fee                    |         | -                | 1,000            |
| Insurance income received                  |         | 248,727          | 11,427           |
|  |         | <b>248,727</b>   | <b>12,427</b>    |
| <b>Operating expenses</b>                  |         |                  |                  |
| Administration and management fees         |         | 162,000          | 154,020          |
| Auditors remuneration                      | 14      | 32,133           | 36,338           |
| Bad debts provision                        |         | 100,000          | -                |
| Bank charges                               |         | 11,164           | 11,369           |
| Computer expenses                          |         | 600              | -                |
| Depreciation, amortisation and impairments |         | 349,639          | 124,364          |
| Employee costs                             |         | 669,420          | 646,030          |
| Entertainment                              |         | -                | 1,200            |
| General expenses                           |         | -                | 54,206           |
| Insurance                                  |         | 166,580          | 163,615          |
| Legal expenses                             |         | 7,635            | (1,570)          |
| Municipal expenses                         |         | 691,529          | 766,300          |
| Repairs and maintenance                    |         | 578,454          | 391,112          |
| Security                                   |         | 1,813,608        | 1,666,591        |
| Staff gratuities - Covid 19                |         | 64,871           | -                |
| Staff welfare                              |         | 6,631            | -                |
| Telephone and fax                          |         | 11,132           | 11,703           |
|  |         | <b>4,665,396</b> | <b>4,025,278</b> |
| <b>Operating loss</b>                      | 9       | <b>(86,662)</b>  | <b>(18,940)</b>  |
| Investment income                          | 12      | 63,358           | 93,019           |
| <b>(Loss) profit before taxation</b>       |         | <b>(23,304)</b>  | <b>74,079</b>    |
| Taxation                                   | 13      | -                | (9,107)          |
| <b>(Loss) profit for the year</b>          |         | <b>(23,304)</b>  | <b>64,972</b>    |

# Eldo Lakes Estate Homeowners Association NPC

(Taxpayer reference number 9083376161)

(Registration number: 2006/024079/08)

Annual Financial Statements for the year ended 28 February, 2021

## Tax Computation

| Figures in Rand   | 2021          |
|---|---------------|
| Net loss per income statement                                     | (23,304)      |
| <b>Permanent differences (Non-deductible/Non taxable items)</b>   |               |
| Levy exemption in terms of s10(1)(e)(i)                           | (4,300,007)   |
| Other income exemption (excluding levy) in terms of s10(1)(e)(ii) | (50,000)      |
| Expenses attributable to exempt income - Local                    | 4,372,825     |
|   | <u>22,818</u> |
| Imputed net income from CFC                                       | -             |
| Assessed loss brought forward                                     | -             |
| <b>Assessed loss for 2021 - carried forward</b>                   | <u>(486)</u>  |
| <b>Tax thereon @ 28% in the Rand</b>                              | <u>-</u>      |
| <b>Reconciliation of tax balance</b>                              |               |
| Amount owing/(prepaid) at the beginning of year                   | 9,107         |
| Prior year adjustment   | -             |
| Amount refunded/(paid) in respect of prior year                   | -             |
|   | <u>-</u>      |
| <b>Tax owing/(prepaid) for the current year:</b>                  |               |
| <b>Amount owing/(prepaid) at the end of year</b>                  | <u>9,107</u>  |