

Fynbos Park Body Corporate
(Registration number SS 65/1994)
Financial statements
for the year ended 31 March 2013

OPN

OPN Inc
Chartered Accountants (S.A.)
Registered Auditors
Published 23 April 2013

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

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The reports and statements set out below comprise the financial statements presented to the board of trustees:

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The following supplementary information does not form part of the financial statements and is unaudited:	
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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Sectional Titles Act, 1986 (Act No. 95 of 1986).

Preparer

Johan Nel

Published

23 April 2013

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the body corporate 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 financial statements.

The 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 judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees 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 body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the body corporate's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the body corporate's financial statements. The financial statements have been examined by the body corporate's external auditors and their report is presented on page 3.

The financial statements set out on pages 4 to 14, which have been prepared on the going concern basis, were approved by the board of trustees on 23 April 2013 and were signed on its behalf by:

Mr GPJ Labuschagne - Chairman

Hermanus

23 April 2013

OPN

CHARTERED ACCOUNTANTS (SA) REGISTERED AUDITORS

Independent Auditors' Report

To the board of trustees of Fynbos Park Body Corporate

We have audited the financial statements of Fynbos Park Body Corporate, as set out on pages 5 to 14, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The body corporate's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' 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 relevant to the entity's preparation and fair presentation of the financial statements 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 entity's 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 present fairly, in all material respects, the financial position of Fynbos Park Body Corporate as at 31 March 2013, and its financial performance and its 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 Sectional Titles Act, 1986 (Act No. 95 of 1986).

OPN Inc
Registered Auditors
921211-0000

Per: J Nel
Director

23 April 2013

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Hermanus
7200

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Trustees' Report

The trustees submit their report for the year ended 31 March 2013.

1. Going concern

The 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.

2. Events after the reporting period

The Trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

3. Contributions

Contributions paid by sections owners and interest earned during the year were not sufficient to meet expenditure, resulting in a levy deficit of R 10 138 (2012 Surplus: R 197 460).

4. Trustees

The trustees of the body corporate during the year and to the date of this report are as follows:

Name	Nationality
Mr GPJ Labuschagne	RSA
Mrs P Grifa	RSA
Mrs A van den Berg	RSA
Miss MM Opperman	RSA
Mr JJ Hamman	RSA
Miss JJ Jacobs	RSA
Mr JW Downing	RSA

5. Auditors

OPN Inc will continue in office for the next financial period.

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Statement of Financial Position as at 31 March 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	18 715	29 368
Deferred tax	3	115 823	-
		134 538	29 368
Current Assets			
Current tax receivable		30 663	-
Trade and other receivables	5	94 355	56 293
Loans to employees	4	-	7 003
Cash and cash equivalents	6	780 431	744 144
		905 449	807 440
Total Assets		1 039 987	836 808
Equity and Liabilities			
Owners' funds and reserves			
Accumulated surplus		857 662	638 371
Liabilities			
Current Liabilities			
Current tax payable		-	19 869
Trade and other payables	8	170 325	164 790
Provisions	7	12 000	13 778
		182 325	198 437
Total Equity and Liabilities		1 039 987	836 808

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue	9	2 393 540	2 229 945
Other income		31 235	52 085
Operating expenses		(2 434 913)	(2 084 570)
Operating (deficit) surplus	10	(10 138)	197 460
Investment revenue	11	113 606	198 293
Surplus before taxation		103 468	395 753
Taxation	12	115 823	(54 408)
Surplus for the year		219 291	341 345
Other comprehensive income		-	-
Total comprehensive income for the year		219 291	341 345

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 April 2011	271 874	271 874
Surplus for the year	341 345	341 345
Other comprehensive income	-	-
Total comprehensive income for the year	341 345	341 345
Opening Balance adjustment	25 152	25 152
Balance at 01 April 2012	638 371	638 371
Surplus for the year	219 291	219 291
Other comprehensive income	-	-
Total comprehensive income for the year	219 291	219 291
Balance at 31 March 2013	857 662	857 662

Note(s)

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash (used in) generated from operations	14	(32 297)	235 164
Interest income		17 856	7 891
Exit Levy		95 750	190 402
Tax paid	15	(50 532)	(19 793)
Net cash from operating activities		30 777	413 664
Cash flows from investing activities			
Purchase of security equipment	2	(1 620)	(11 514)
Sale of security equipment	2	126	-
Repayment of loans by employees		7 003	4 997
Net cash from investing activities		5 509	(6 517)
Total cash movement for the year		36 286	407 147
Cash at the beginning of the year		744 144	336 999
Total cash at end of the year	6	780 430	744 146

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, 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 items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	10 years
Security equipment	10 years
IT equipment	5 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

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.

1.4 Provisions and contingencies

Provisions are recognised when:

- the body corporate has an obligation at the reporting date as a result of a past event;
- it is probable that the body corporate will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Accounting Policies

1.5 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the body corporate has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the body corporate retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the body corporate; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the body corporate;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Security equipment	12 880	(6 354)	6 526	12 512	(6 354)	6 158
Furniture and fixtures	5 836	(3 254)	2 582	5 836	(2 671)	3 165
IT equipment	14 525	(13 489)	1 036	14 525	(8 648)	5 877
Office equipment	26 903	(18 332)	8 571	26 903	(12 735)	14 168
Total	60 144	(41 429)	18 715	59 776	(30 408)	29 368

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Security equipment	6 158	1 620	(126)	(1 126)	6 526
Furniture and fixtures	3 165	-	-	(583)	2 582
IT equipment	5 877	-	-	(4 841)	1 036
Office equipment	14 168	-	-	(5 597)	8 571
	29 368	1 620	(126)	(12 147)	18 715

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Security equipment	7 410	-	(1 252)	6 158
Furniture and fixtures	3 749	-	(584)	3 165
IT equipment	10 718	-	(4 841)	5 877
Property, plant and equipment 1	6 499	11 514	(3 845)	14 168
	28 376	11 514	(10 522)	29 368

3. Deferred tax

Deferred tax asset

Tax losses available for set off against future taxable income	115 823	-
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Reconciliation of deferred tax asset (liability)

Increase (decrease) in tax losses available for set off against future taxable income	115 823	-
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4. Loans to employees

An outstanding loan to an ex employee, Mrs M Raubenheimer, was fully settled during the course of the year

5. Trade and other receivables

Trade receivables	75 355	32 793
Benade special Levy receivable	19 000	23 500
	94 355	56 293

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Figures in Rand 2013 2012

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 061	834
Nedbank Current account	180 851	552 631
Stanlib Money Market	-	136 989
Nedbank term deposit	598 519	53 690
	780 431	744 144

7. Provisions

Reconciliation of provisions - 2013

	Opening balance	Additions	Utilised during the year	Total
Audit fees provision	12 500	12 500	(13 000)	12 000
Workman's compensation fund	1 278	(1 278)	-	-
	13 778	11 222	(13 000)	12 000

Reconciliation of provisions - 2012

	Opening balance	Additions	Utilised during the year	Total
Audit fees provision	10 200	12 500	(10 200)	12 500
Workman's compensation fund	-	1 278	-	1 278
	10 200	13 778	(10 200)	13 778

8. Trade and other payables

Trade payables	124 309	110 467
Amounts received in advance	35 011	53 589
Uif & Paye payable	11 005	734
	170 325	164 790

9. Revenue

Single & double unit Levy	2 082 802	2 012 125
Garage Levy	210 764	19 383
Open parking Levy	2 936	1 746
Security Levy	93 150	193 055
Car port Levy	3 888	3 636
	2 393 540	2 229 945

10. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

Operating lease charges

Equipment		
• Contractual amounts	10 404	11 027

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
10. Operating (deficit) surplus (continued)		
Depreciation on property, plant and equipment	18 272	10 521
Employee costs	387 751	347 902
Property tax credit received from Overstrand Municipality included in Water expenses	(41 902)	-
11. Investment revenue		
Special revenue		
Exit Levy 5%	95 750	190 402
Interest revenue		
Interest charged on trade and other receivables	4 214	752
Bank	13 642	7 139
	17 856	7 891
	113 606	198 293
12. Taxation		
Major components of the tax (income) expense		
Current		
Local income tax - current period	-	54 408
Deferred		
Arising from previously unrecognised tax loss / tax credit / temporary difference	(115 823)	-
	(115 823)	54 408
13. Auditors' remuneration		
Fees	12 000	12 500
Adjustment for previous year	1 938	8 297
Tax and secretarial services	6 670	6 723
	20 608	27 520
14. Cash (used in) generated from operations		
Surplus before taxation	103 468	395 753
Adjustments for:		
Depreciation and amortisation	18 272	10 521
Dividends received	(95 750)	(190 402)
Interest received	(17 856)	(7 891)
Movements in provisions	(1 778)	3 578
Other non-cash items : Write off of Software	(6 000)	-
Other non-cash items : Loss on items written off	(126)	-
Changes in working capital:		
Trade and other receivables	(38 062)	14 570
Trade and other payables	5 535	9 035
	(32 297)	235 164

Fynbos Park Body Corporate

Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Figures in Rand	2013	2012
15. Tax paid		
Balance at beginning of the year	(19 869)	14 746
Current tax for the year recognised in surplus or deficit	-	(54 408)
Balance at end of the year	(30 663)	19 869
	(50 532)	(19 793)

16. Going concern

The 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.

17. Events after the reporting period

The financial statements were authorised for issue on 23 April 2013 by the board of directors of the body corporate.

Fynbos Park Body Corporate
 Financial Statements for the year ended 31 March 2013

Detailed Income Statement

Figures in Rand	2013	2012
Levy income	2 393 540	2 229 945
- Single Unit	1 475 579	1 272 320
- Double Unit	607 223	522 560
- Garage	210 764	19 383
- Car Port	3 888	3 636
- Open Parking	2 936	1 746
- Security	93 150	193 055
Special Maint US		153 995
Special Maint UD		63 250
Exit Levy	95 750	214 402
Special Levy 5%	95 750	214 402
	2 489 290	2 444 347
Services and rental	31 235	28 085
Discount Received	786	1 172
Recycled Waste	648	1 723
Rent Open Park	6 720	6 240
Rent Store Rooms	3 378	3 400
Washing Machines	13 422	12 685
Office Services	2 660	1 625
Clearance Certificates	3 623	1 240
Interest	17 856	7 891
Capital Reserve	13 642	7 139
Received from Debtors	4 214	752
Other Income	49 091	35 975
Total Income	2 538 381	2 480 322
Expenses (refer page)	2 434 913	2 084 570
Surplus before taxation	103 468	395 752
Taxation	-115 822	54 407
Surplus for the year	219 290	341 345

Detailed Income Statement

Figures in Rand	2013	2012
Operating expenses		
ADMINISTRATION and OFFICE:	226 138	207 695
Audit - Under/Over Provision	1 938	8 297
Audit Fee (Provision)	12 000	12 500
Bank Charges Current Account	18 269	15 943
Bookkeeping Fee	34 143	13 461
Computer Consumables	1 750	105
Computer Repairs	2 778	1 842
Computer Support Annual	2 627	2 319
Computer Support (ad hoc)	283	395
Delivery and Collection	9 460	5 255
Finance costs/Rental	10 404	11 027
Fines and Penalties		383
Legal Fees	34 519	49 848
Payroll Processing	6 670	6 723
Postage and Courier	2 845	4 752
Printing	5 772	320
Refreshments	6 102	3 417
Secretarial and Statutory	5 305	4 223
Stationary	5 914	13 000
Stationary Equipment (Small)	1 873	-
Subscriptions	2 144	1 750
SOFCA: Availability	10 800	9 540
SOFCA: Call Outs	28 200	24 600
SOFCA: Bus Tickets	-180	580
Telkom	20 775	16 721
Training	946	-
Various	612	694
Contingency provision	187	-
BUILDINGS	275 082	208 526
Insurance	85 812	78 320
Insurance Claims (Repair Cost & Repayment)	3 406	596
Building Repairs & Maint	16 391	36 670
Building Repairs & Maint Outsourced	69 025	51 232
Parking & Walkway Repairs & Maint	5 486	2 716
Parking/Walkway Repairs&Maint Outsourced	715	585
Lift Repairs and Maint Outsourced	37 791	33 942
Tools & Equipment	14 127	886
Fire Equipment & Services - Outsourced	4 019	3 580
Electrical Repairs & Maintenance	4 878	-
Electrical Repairs & Maint. Outsourced	30 093	-
Plumbing Repairs & maint Outsourced	3 339	-
BUILDING PROJECTS from RESERVES	312 777	146 512
Project 1: Stoep Ceiling Cleaned		3 577
Project 2: Atrium	104 304	125 597
Project 3: Gate & Motor		11 440
Project 4: Atrium flat roof sealing	30 796	5 898
Project 5 :Waterproofing of windows	59 749	-
Project 6: Structural Repairs - Floors	27 614	-
Project 7: Structural Repairs - Walls	32 143	-
Project 8: Upgrade Panic Buttons	58 000	-
Project 10: Garden Paving	171	-

Fynbos Park Body Corporate
 Financial Statements for the year ended 31 March 2013

Detailed Income Statement

Figures in Rand	2013	2012
CLEANING	46 738	47 341
Equipment	5 579	10 652
Material (Chemicals)	8 335	5 468
Tools (Brooms/Brushes/Cloths)	1 234	1 010
Window Cleaning Outsourced	31 590	30 211
CONSULTING	9 000	-
Personnel agency	9 000	-
DEPRECIATION	18 272	10 521
Building Tools & Equipment	5 596	3 845
Office Computer & Electronic Equipment	10 841	4 841
Office Equipment	584	584
Security Equipment	1 251	1 251
EMPLOYEE COSTS:	388 996	349 180
Basic	352 696	311 690
Bonus Year End	27 279	12 729
Other: Standin Etc	2 442	4 849
P-Fund FP 50%	5 965	5 458
UIF FP Contribution	2 757	3 817
WCF FP Contribution Provision	2 856	1 278
SDL		3 102
PAYE		1 876
Leave Pay adjustment	-6 245	4 381
Protective clothing	1 245	-
GARDENS	32 616	27 497
Fertilizer Compost Pesticides Etc.	6 220	7 509
Lawn Service Outsourced	19 740	16 215
Ornamental (Edging Poles Fencing Etc)		706
Plants	5 900	1 025
Tools and Equipment	757	1 814
Other		228
SECURITY	238 617	212 445
Gate and Patrole	235 545	209 070
Office Alarm	2 603	2 691
Maintenance	470	684
UTILITIES - WATER SEW REF TAXES	341 770	390 253
Water Account	408 045	454 470
SOFCFA Recovery	-66 275	-64 218
UTILITIES: ELECTRICITY	544 907	484 600
Electricity Account	544 337	484 258
IUB Account Verification	570	342
	2 434 912.85	2 084 570