

**FYNBOS PARK BODY CORPORATE
(REGISTRATION NUMBER SS 65/1994)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

BGR Pyper Turner Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Published 26 May 2015

Fynbos Park Body Corporate

(Registration number SS 65/1994)

Financial Statements for the year ended 31 March 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Administering of common property consisting of 218 residential units
Trustees	Mr GPJ Labushagne Mrs P Grifa Mrs A van den Berg Mrs C Mumford Mr D P Cawcutt Mr P M A Kotze Mrs E C Oelofse
Registered office	Sunshine Tour House Golf Village 2 De Beers Avenue Somerset West 7130
Business address and domicilium	Church Street West Cliff Hermanus 7200
Postal address	Private Bag X09 Hermanus 7200
Auditors	BGR Pyper Turner Incorporated Chartered Accountants (S.A.) Registered Auditors
Body Corporate registration number	SS 65/1994
Tax reference number	9150/257/02/1
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).

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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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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 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 4.

The financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board of trustees and were signed on its behalf by:

Trustee

Trustee

Date

Date

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 6 to 14, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity 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

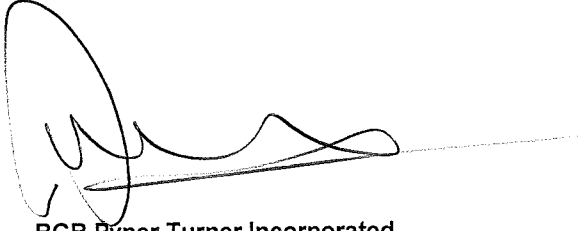
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 2015, and its financial performance 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).

A handwritten signature in black ink, appearing to read 'D F Pyper', is written over a horizontal line. The signature is stylized and extends to the right of the line.

BGR Pyper Turner Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Per: D F Pyper
26 May 2015

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Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

Figures in Rand	2015	2014
Assets		
Non-Current Assets		
Furniture and equipment	79 242	63 926
Deferred tax	-	456 308
	<u>79 242</u>	<u>520 234</u>
Current Assets		
Levies and other receivables	104 365	83 984
Cash and cash equivalents	1 240 447	1 238 906
	<u>1 344 812</u>	<u>1 322 890</u>
Total Assets	<u>1 424 054</u>	<u>1 843 124</u>
Equity and Liabilities		
Owners' funds and reserves		
Accumulated surplus	1 221 394	1 711 382
Liabilities		
Current Liabilities		
Current tax payable	13 795	7 835
Trade and other payables	188 865	123 907
	<u>202 660</u>	<u>131 742</u>
Total Equity and Liabilities	<u>1 424 054</u>	<u>1 843 124</u>

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Financial Statements for the year ended 31 March 2015

Statement of Comprehensive Income

Figures in Rand	2015	2014
Revenue	3 303 826	2 771 074
Other income	38 518	35 183
Operating expenses	(3 425 202)	(2 327 759)
Operating (deficit) surplus	(82 858)	478 498
Investment revenue	55 139	42 619
(Deficit) surplus before taxation	(27 719)	521 117
Taxation	(462 269)	(7 881)
(Deficit) surplus for the year	(489 988)	513 236
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	(489 988)	513 236

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 April 2013	1 198 146	1 198 146
Surplus for the year	513 236	513 236
Other comprehensive income	-	-
Total comprehensive income for the year	513 236	513 236
Balance at 01 April 2014	1 711 382	1 711 382
Deficit for the year	(489 988)	(489 988)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(489 988)	(489 988)
Balance at 31 March 2015	1 221 394	1 221 394

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Statement of Cash Flows

Figures in Rand	2015	2014
Cash flows from operating activities		
Cash (used in) generated from operations	(7 685)	443 876
Interest income	55 139	42 619
Tax received	-	30 617
Net cash from operating activities	47 454	517 112
Cash flows from investing activities		
Purchase of furniture and equipment	(45 913)	(58 634)
Total cash movement for the year	1 541	458 478
Cash at the beginning of the year	1 238 906	780 428
Total cash at end of the year	1 240 447	1 238 906

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Financial Statements for the year ended 31 March 2015

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 Furniture and equipment

Furniture and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of furniture 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 furniture and equipment, the carrying amount of the replaced part is derecognised.

Furniture and equipment with a cost of R 7 000-00 or less per item are depreciated in full during the year of acquisition.

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

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

1.2 Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

The Body Corporate is taxed in terms of Section 10(1)(e) of the Income Tax Act.

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Financial Statements for the year ended 31 March 2015

Accounting Policies

1.4 Revenue

Revenue expenses applicable to the common property and administration are recovered from the various owners by means of various monthly levies in terms of the rules of the Body Corporate and in accordance with the participation quota applicable to each section.

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

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Financial Statements for the year ended 31 March 2015

Notes to the Financial Statements

Figures in Rand 2015 2014

2. Furniture and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	34 648	(20 209)	14 439	5 836	(3 961)	1 875
IT equipment	30 531	(24 287)	6 244	30 531	(18 180)	12 351
Office equipment	28 543	(24 327)	4 216	28 543	(21 473)	7 070
Security equipment	70 967	(16 624)	54 343	53 867	(11 237)	42 630
Total	164 689	(85 447)	79 242	118 777	(54 851)	63 926

Reconciliation of furniture and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1 875	28 813	(16 249)	14 439
IT equipment	12 351	-	(6 107)	6 244
Office equipment	7 070	-	(2 854)	4 216
Security equipment	42 630	17 100	(5 387)	54 343
	63 926	45 913	(30 597)	79 242

Reconciliation of furniture and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2 582	-	(707)	1 875
IT equipment	1 036	16 007	(4 692)	12 351
Office equipment	8 571	1 640	(3 141)	7 070
Security equipment	6 526	40 987	(4 883)	42 630
	18 715	58 634	(13 423)	63 926

3. Deferred tax

Deferred tax asset

Taxation refundable	-	456 308
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Reconciliation of deferred tax asset (liability)

At beginning of the year	456 308	456 308
Derecognition of deferred tax asset	(456 308)	-
	-	456 308

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Financial Statements for the year ended 31 March 2015

Notes to the Financial Statements

Figures in Rand	2015	2014
4. Levies and other receivables		
Benade special levy receivable	12 692	12 500
Deposits	30 000	-
Insurance claims	1 033	-
Prepayment	135	-
Levies receivable	60 505	71 484
	104 365	83 984
The ageing of levies in arrears are as follows:		
Current	35 457	35 749
30 days	16 027	9 645
60 days	5 260	5 061
90 days	1 835	1 506
120 days	1 926	19 523
	60 505	71 484
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	235	1 061
Nedbank current account	386 688	429 443
Nedbank short-term deposit	853 524	808 402
	1 240 447	1 238 906
6. Trade and other payables		
Prepaid levies	69 054	52 247
Provision: Audit fee	13 200	12 000
Provision: Security camera software	-	13 380
SARS - UIF/PAYE	23	1 129
Trade payables (refer to supplementary information)	106 588	45 151
	188 865	123 907
The aging of trade payables is as follows:		
Current	106 588	45 151
7. Investment revenue		
Interest revenue		
Capital reserve	45 122	34 883
Interest on arrear levies	10 017	7 736
	55 139	42 619

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Financial Statements for the year ended 31 March 2015

Notes to the Financial Statements

Figures in Rand	2015	2014
8. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	11 936	7 835
Local income tax - recognised in current tax for prior periods	(5 975)	46
	<u>5 961</u>	<u>7 881</u>
Deferred		
Derecognition of deferred tax asset	456 308	-
	<u>462 269</u>	<u>7 881</u>
9. Cash (used in) generated from operations		
(Deficit) surplus before taxation	(27 719)	521 117
Adjustments for:		
Depreciation and amortisation	30 595	13 422
Interest received	(55 139)	(42 619)
Movements in provisions	-	13 380
Changes in working capital:		
Levies and other receivables	(20 381)	10 371
Trade and other payables	64 959	(71 795)
	<u>(7 685)</u>	<u>443 876</u>
10. Auditors' remuneration		
Audit services	13 200	14 901
Adjustment for previous year	2 901	3 368
Consulting services	9 120	-
Tax and secretarial services	1 083	5 725
	<u>26 304</u>	<u>23 994</u>

11. Insurance contract

The property is insured in terms of an insurance contract, no: CIA 0000-49303 CIA insurance. The insurance contract is renewable on a monthly basis.

12. Contingencies

The Body Corporate is in the process of trying to recover taxation paid over to the South African Revenue Services on income which should not have been subject to tax. No asset is recognised in the financial statements as the probability of recovering the money is doubtful and it is not practical to determine a reliable estimate of the amount which will be recovered.

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Detailed income statement

Figures in Rand	Note(s)	2015	2014
Normal levies		2 729 976	2 553 324
- Single unit		1 646 820	1 539 756
- Double unit		679 152	634 788
- Garage		395 964	370 740
- Car Port		4 320	4 320
- Open parking		3 720	3 720
Exit Levy		573 850	217 750
- Special Levy 5%		573 850	217 750
Levy income		3 303 826	2 771 074
Services and rental		38 518	35 183
- Recycled waste		813	558
- Rent: Open park		6 760	6 680
- Rent: Store rooms		-	2 646
- Washing machines		20 247	17 510
- Office services		2 098	2 789
- Clearance certificates		8 600	5 000
Interest		55 139	42 619
- Capital reserve		45 122	34 883
- Arrear levies		10 017	7 736
Other income		93 657	77 802
Total income		3 397 483	2 848 876
Operating expenses (refer to pages 16 - 17)		(3 425 202)	(2 327 759)
Surplus before taxation		(27 719)	521 117
Taxation	9	(462 269)	(7 881)
Surplus/(Deficit) for the year		(489 988)	513 236

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Detailed income statement

Figures in Rand	Note(s)	2015	2014
OPERATING EXPENSES			
Administration and office		206 712	198 949
Audit - Under/(over) provision	10	2 901	6 269
Audit fee (provision)	10	13 200	12 000
Tax & secretarial services	10	1 083	-
Consulting fees	10	9 120	-
Bank Charges		11 040	13 676
Bookkeeping fee		41 382	37 677
Computer consumables		360	-
Computer repairs		-	2 091
Computer support - Ad hoc		750	702
Delivery and collection		11 432	8 648
Maintenance costs		2 769	8 666
Internet		1 348	-
Legal fees		18 853	8 620
Payroll processing		2 700	5 725
Postage and courier		2 893	3 308
Printing		2 389	770
Refreshments		6 573	6 203
Secretarial and statutory		4 055	7 950
Stationary		4 327	8 586
Stationary equipment (Small)		578	689
Subscriptions		5 049	4 292
SOFCA availability		12 720	12 000
SOFCA: Call outs		33 120	31 200
SOFCA: Bus tickets		110	(120)
Telkom		16 595	17 862
Training		410	510
Various		955	1 625
Buildings		261 989	321 467
Insurance		105 278	96 855
Insurance claims (repair cost-repayment)		-	16 309
Insurance claims - prior year		(20 488)	-
Building repairs & maintenance		17 671	6 101
Building repairs & maintenance (outsourced)		85 626	85 102
Garage repairs & maintenance		-	-
Garage repairs & maintenance (outsourced)		-	3 950
C/Port repairs & maintenance		596	-
C/Port repairs & maintenance (outsourced)		-	1 925
Parking and walkway repairs & maintenance		-	701
Parking and walkway repairs & maintenance (outsourced)		-	1 420
Lift repairs & maintenance (outsourced)		32 568	37 990
Tools & equipment		1 650	1 671
Fire equipment & services (outsourced)		4 742	15 664
Electrical repairs & maintenance		2 272	23 599
Electrical repairs & maintenance (outsourced)		15 717	20 457
Plumbing repairs & maintenance		90	93
Plumbing repairs & maintenance (outsourced)		16 267	9 630

Continued on next page.

Fynbos Park Body Corporate

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Financial Statements for the year ended 31 March 2015

Detailed income statement

Figures in Rand	Note(s)	2015	2014
OPERATING EXPENSES (continued)			
Building projects		1 003 487	124 477
Project 1: Lift Replacement		548 483	-
Project 2: Atrium gutters		9 070	5 758
Project 4: Atrium flat roof sealing		-	6 191
Project 5: Waterproofing of windows		8 010	14 986
Project 6: Structural repairs - floors		672	942
Project 7: Structural repairs - walls		59 021	38 882
Project 9: Garden Flats Flat Roof Sealin		24 529	13 663
Project 10: Garden Paving		485	4 840
Project 11: Garage Door Maintenance		19 200	39 215
Project 12: Tar Surface & Maintenance		332 217	-
Project 13: Camera Equipment & Maintenanc		1 800	-
Cleaning		122 868	82 165
Equipment		-	1 974
Material (Chemicals)		4 386	4 834
Tools (Brooms/brushes/cloths)		942	807
Window cleaning (outsourced)		34 740	33 150
General cleaning (outsourced)		82 800	41 400
Depreciation		30 595	13 422
Office equipment	2	2 854	3 141
IT equipment	2	6 106	4 691
Furniture and fixtures	2	16 248	707
Security equipment	2	5 387	4 883
Employee costs		455 365	382 428
Basic		399 908	333 707
Year end bonus		32 860	29 177
Overtime		2 180	1 864
Fynbos Park provident fund contributions		9 152	8 322
Fynbos Park UIF contributions		4 222	3 601
WCF contribution - actual		1 650	-
WCF contribution - provision		-	1 934
Protective clothing		4 976	3 627
Leave pay		417	196
Gardens		27 394	31 033
Fertilizer, compost, pesticides etc.		5 121	6 083
Lawn service (outsourced)		20 228	19 365
Plants		485	1 129
Tools & equipment		1 560	4 456
Security		273 234	250 873
Gate & Patrole		313 547	240 967
SOFCA security recovery		(47 553)	-
Office alarm		2 778	3 109
Maintenance		4 462	6 797
Utilities		1 043 558	922 945
Water account		477 305	428 707
SOFCA water recovery		(53 591)	(54 685)
Electricity		619 844	548 923
Total operating expenses		3 425 202	2 327 759

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Supplementary Information

Figures in Rand	2015	2014
1. Sundry Creditors		
Cannon/Smart Office	158	267
CCS Plant, Tool & Trailer Hire	-	360
Frontier Accounting Services	400	-
Hermanus Hardware Bloemdal Vrugteplaas CC	1 187	-
Kaap Agri	1 983	-
Lawn Pro Magic	1 620	-
M Haman	2 330	-
Overberg Roofix CC	12 950	-
Overstrand Municipality - Electricity	32 724	-
Overstrand Municipality - Water	40 781	42 411
Oververg Lighting Centre	-	587
Smart Services	6 900	-
SOFCA Services	4 090	-
Telkom SA	1 465	1 526
	<u>106 588</u>	<u>45 151</u>

Fynbos Park Body Corporate

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Financial Statements for the year ended 31 March 2015

Tax Computation

	Exempt income	Taxable income	R Total
Income			
Normal levies	2 729 976	-	2 729 976
Exit levy	573 850	-	573 850
Services and rental	-	38 518	38 518
Interest received	-	55 139	55 139
	<u>3 303 826</u>	<u>93 657</u>	<u>3 397 483</u>
Expenses			
Administration and office	206 712	1 029	207 741
Buildings	216 989	-	216 989
Building projects	1 003 487	-	1 003 487
Cleaning	122 868	-	122 868
Depreciation	30 595	-	30 595
Employee costs	455 365	-	455 365
Gardens	27 394	-	27 394
Security	273 234	-	273 234
Utilities	1 043 558	-	1 043 558
	<u>3 380 202</u>	<u>1 029</u>	<u>3 381 231</u>
Surplus/(Deficit) before tax	(76 376)	92 628	16 252
Non taxable amounts	76 376	-	76 376
	<u>-</u>	<u>92 628</u>	<u>92 628</u>
Taxable income	-	92 628	92 628
Exempt income (R 50 000)	-	(50 000)	(50 000)
	<u>-</u>	<u>42 628</u>	<u>42 628</u>
Taxable income for 2015			
			<u>11 935</u>
Taxation thereon @ 28% in the Rand			
Tax liability			
Amount owing/(prepaid) at at the beginning of year			7 835
Prior year adjustment			(5 975)
Amount refunded/(paid) in respect of prior year			-
			<u>1 860</u>
Amount owing/(prepaid) in respect of prior year			
Tax owing/(prepaid) for the current year			11 935
			<u>13 795</u>
Amount owing/(prepaid) at the end of year			