

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
(Registration number 1996/013332/08)
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2010

Van Sitterts
Chartered Accountants (S.A.)
Registered Accountants and Auditors
Issued 29 September 2010

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2010**

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

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Approval

The financial statements which appear on pages 3 to 13 were approved by the directors on 29 September 2010.



Director



Director

Pretoria

29 September 2010



van sitters

**Geregistreeerde Ouditeure
Registered Auditors**

Du Toit Incorporated Reg no. 1999/009532/21
Practice no: 964689
Centurion Gate Office Park
Building 1
Cnr John Vorster Drive & Akkerboom Street
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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION**

We have audited the annual financial statements of WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION which comprise the balance sheet as at 28 February 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 3 to 12.

Auditor's Responsibility

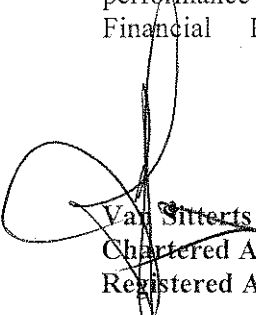
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

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

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

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION as at 28 February 2010, and its financial performance and its cash flows for the year then ended in accordance with Statements of International Financial Reporting Standards, and in the manner required by the Companies Act.


Van Sitterts
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Per: **BJ du Toit**
Pretoria
29 September 2010

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Directors: BJ du Toit BCom (Hons) CA (SA), G van Schalkwyk BCom (Hons) CA (SA) Practising in association with: LB Trichardt BCom (Hons) CA (SA), JM Maartens MCom (Bel) CA (SA)
PL Bezuidenhout BCom (Hons) CA (SA), CJ Erasmus BCom (Hons) CA (SA)
Assisted by: Y Coetzee BCom (Acc), HA Roets BCom (Acc)

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
REPORT OF THE DIRECTORS
for the year ended 28 February 2010

The directors present their report for the year ended 28 February 2010. This report forms part of the audited financial statements.

1. Business and operations

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

2. Directors' Responsibility for the Financial Statements

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

3. Managing agents

The managing agents of the home owners association is Jotam Management Services, whose business and postal addresses are:

75 Kruger Avenue
Lyttelton
Centurion
2196

PO Box 16959
Lyttelton
0140

4. Auditors

Van Sitterts will continue in office in accordance with section 270(2) of the Companies Act.

Pretoria

29 September 2010

**WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
BALANCE SHEET
as at 28 February 2010**

	Notes	2010 R	2009 R
Assets			
Current assets			
Trade and other receivables	6	1,623,404	1,080,293
Cash and cash equivalents	7	1,081,210	1,125,011
Total assets		<u>2,704,614</u>	<u>2,205,304</u>
Capital and liabilities			
Capital and reserves			
Levy surplus		2,298,708	1,816,591
Current liabilities			
Taxation		405,906	388,713
Taxation		92,040	60,934
Trade and other payables	8	313,866	327,779
Total capital and liabilities		<u>2,704,614</u>	<u>2,205,304</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
INCOME STATEMENT
for the year ended 28 February 2010

	2010	2009
	R	R
Gross revenue	3,384,035	2,348,459
Ordinary levies	2,573,423	1,784,619
Double/Triple levy	731,946	416,088
Access cards levies	7,764	2,467
Non refundable road levy	10,000	8,000
Stand clearing levy	60,902	12,723
Special levy (The Hills)	-	124,562
Other income	269,131	284,861
Interest received	4 250,631	263,279
Accreditation fees recovered	16,000	20,000
Other income	2,500	1,582
Total income	3,653,166	2,633,320
Expenditure (Refer to page 6)	3,124,697	2,804,562
Profit/(loss) before taxation	528,469	(171,242)
Taxation	5 46,352	60,774
Profit/(loss) after taxation	482,117	(232,016)
Retained profit at beginning of year	1,816,591	2,048,607
Retained profit at end of year	2,298,708	1,816,591

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
INCOME STATEMENT
for the year ended 28 February 2010

		2010	2009
		R	R
Expenditure		3,124,697	2,804,562
Administration fees		15,609	4,273
Auditors' remuneration	2	3,130	5,693
Bad debts	12	136,356	31,133
Bank charges		34,912	29,581
Cleaning		11,389	2,626
Cost of clearing stands		60,902	12,723
Garden improvement and maintenance of the park		131,626	296,017
Garden service (Jomo)		323,315	284,121
Guard house and extension of boundary wall	13	-	434,013
Hire of equipment		-	3,994
Insurance	11	15,831	12,678
Intercom telephone		22,668	38,999
Interest		1,596	166
Legal expenses		-	11,226
Managing agents fees		319,440	281,600
Meeting costs		2,255	1,938
Municipal charges		167,127	89,759
Printing and stationery		7,014	11,750
Repairs and maintenance	9	290,929	98,638
Security	10	1,560,724	1,137,229
Sundry expenses		19,424	16,405
Wages		450	-

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2010

	Special levy reserve R	Levy reserve R	Total R
Balance at 01 March 2008	279,708	2,048,607	2,328,315
Net deficit for the year		(232,016)	(232,016)
Decrease of special levy reserve	(279,708)		(279,708)
Balance at 01 March 2009	-	1,816,591	1,816,591
Net surplus for the year		482,117	482,117
Balance at 28 February 2010	-	2,298,708	2,298,708

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
CASH FLOW STATEMENT
for the year ended 28 February 2010

	Notes	2010 R	2009 R
Cash flows from operating activities			
Cash receipts from customers		2,822,606	1,992,194
Cash paid to suppliers		<u>(3,100,196)</u>	<u>(2,972,924)</u>
Cash utilised in operating activities	14.1	(277,590)	(980,730)
Interest received		250,631	263,279
Interest paid		(1,596)	(166)
Taxation paid	14.2	<u>(15,246)</u>	<u>(43,626)</u>
Net cash from operating activities		<u>(43,801)</u>	<u>(761,243)</u>
Decrease in cash and cash equivalents		(43,801)	(761,243)
Cash and cash equivalents at beginning of the year	14.3	<u>1,125,011</u>	<u>1,886,254</u>
Cash and cash equivalents at end of the year	14.3	<u><u>1,081,210</u></u>	<u><u>1,125,011</u></u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

1 Basis of preparation

The financial statements are prepared in accordance with statements of International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

1.1 Taxation

The home owners association is taxed in terms of section 10(1)(e) section 9(1)(c) of the Income Tax Act of 1962. This section provides for the exemption of levy income tax provided that the body corporate applies to its local Revenue office for such exemption.

2. Provision for audit fees

Audit fees are remuneration for the audit and compilation of the financial statements for the current financial year of R 3,130 (2009 R 5,693).

3. Gross revenue

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

	2010 R	2009 R
4. Interest received		
Interest income		
- Interest received from bank	<u>250,631</u>	<u>263,279</u>
	2010	2009
	R	R
5. Taxation		
South African normal tax		
- Current tax	60,244	60,774
- Prior year adjustments	(13,892)	-
Tax for the year	<u>46,352</u>	<u>60,774</u>
	2010	2009
	R	R
6. Trade and other receivables		
Arrear levy accounts	1,548,504	993,898
VAT control	67,947	49,176
Account receivable	2,212	34,909
Municipal deposits	4,741	1,560
Plan fees	-	750
	<u>1,623,404</u>	<u>1,080,293</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

	2010	2009
	R	R
7. Cash and cash equivalents		
Trust account, managed by Jotam	242,303	67,878
Nedbank - 7517501038(1), managed by Directors	637,742	854,133
Petty cash	2,000	2,000
Investment held by Van Zyl, Le Roux & Hurter Inc	13,935	13,270
Deposits held by Jotam	185,230	187,730
	<u>1,081,210</u>	<u>1,125,011</u>
	2010	2009
	R	R
8. Trade and other payables		
Provision for municipal accounts	10,112	6,239
Estate agents deposits	82,000	82,000
Provision for audit fees	3,570	6,490
Levies received in advance	40,560	47,383
Creditors control	395	3,667
Pavement deposits	177,230	180,000
	<u>313,867</u>	<u>325,779</u>
	2010	2009
	R	R
9. Repairs and maintenance		
Buildings	7,464	1,434
Electrical	5,055	9,444
Fire services	1,838	-
General	1,274	765
Plumbing	2,030	6,749
Security	273,268	80,246
	<u>290,929</u>	<u>98,638</u>
	2010	2009
	R	R
10. Security		
Guards	2,850	5,668
Magnum Shield - Current year	185,060	1,131,561
Hi Risk - Current year	1,372,814	-
	<u>1,560,724</u>	<u>1,137,229</u>
	2010	2009
	R	R
11. Insurance		

Waterkloof Boulevard Home Owners Association is insured with Mutual & Federal Insurance Company Limited, Policy nr. RA/M/2/CORP/12968935

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

12. Bad debts

The directors believe that the income to the amount of R136,356 from CR Tezar is not recoverable.

	2010 R	2009 R
13. Guard house and extension of boundary wall		
Building	-	510,022
ESSG Technologies	-	188,642
GRO Properties	-	30,594
Asikol CC	-	33,333
Megaphase Trading	-	11,130
Special levy reverse	-	(279,708)
Contribution to boundary wall	-	(60,000)
	-	434,013
	-	434,013

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

14. Notes to the cash flow statement

	2010 R	2009 R
<i>14.1 Cash utilised in operating activities</i>		
Net profit/(loss) before taxation	528,469	(171,242)
Adjustments for:		
Interest received	(250,631)	(263,279)
Finance costs	1,596	166
Transfer from special levy reserve	-	(279,708)
	279,434	(714,063)
Movements in working capital		
Increase in accounts receivable	(543,111)	(407,391)
(Decrease)/increase in accounts payable	(13,913)	140,724
	(277,590)	(980,730)
	2010	2009
	R	R
<i>14.2 Reconciliation of taxation paid during year</i>		
Charge in income statement	(46,352)	(60,774)
Movement in taxation balance	31,106	17,148
Payments made	(15,246)	(43,626)
	2010	2009
	R	R
<i>14.3 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	1,081,210	1,125,011

WATERKLOOF BOULEVARD HOA
SCHEDULE TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

DEBTORS LIST AS AT 28 FEB 2010
LEVIES IN ADVANCE

Name	Total
MMUTLANA KCJI	-2,520.51
MARCO VALENTE FAM	-12,000.00
LEIJENAAR FAMILY TRUST	-1,200.00
CHILDS RB	-17.31
LOTZ EJ & AH	-3,700.00
ANGELIDES KC	-3,075.10
WHIRLAWAY TRADING	-547.40
PRINSLOO HJB	-1,914.03
VEMBER-DOOM (1698)	-84.00
CUNNINGHAM CA	-0.16
VISAGIE J	-355.05
HECHTER A	-500.00
BLOEM LS	-2,205.86
LETAGENG MD & LS	-12,440.12
LEVIES IN ADVANCE	<u>-40,559.54</u>

CREDITORS AGE ANALYSIS for FEB 2010

Name	AGEING					Total
	120 +	90 Days	60 Days	30 Days	Current	
ESSG						394.60
CITY OF TSHWANE						10,112.04
VAN SITTERTS						11,724.90
ESTATE AGENT DEPOSITS						82,000.00
PAVEMENT DEPOSITS						177,230.08
TRADE CREDITORS	-	-	-	-	-	<u>281,461.62</u>

WATERKLOOF BOULEVARD HOA
SCHEDULE TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2010

DEBTORS LIST AS AT 28 FEB 2010
LEVIES IN ARREARS

Name	Total
LAOSEBIKAN OAA	65,866.53
NKONE A	1,503.00
STRAUSS W	43,880.06
BADENHORST CH	107,440.42
MARAIS M	34,770.64
MARENTIA 0254 CC	92,475.57
GROBBELAAR WH	29,221.13
VAN SCHALKWYK ASJ	33,469.40
MODINGWANA GSMI	8,535.82
MOORE HF	14,598.15
VAN SCHALKWYK ASJ	92,716.62
BOSCH MC	14,761.78
MINENZA & ASSOCIATES	6,423.01
BEYSCHAU GR & NA	33,094.20
MKHODO BA	135,552.09
TSHABALALA DB	50,151.09
VAN DER MERWE SA	5,020.00
TESAR CR	251,850.14
MAMUHLE PROJECTS	2,258.73
VAN DER WESTHUIZEN	7,725.66
GELDENHUIS GL	1,517.00
VAN SCHALKWYK F	120,348.41
MORULA COMMUNICATION	6,846.03
LETEBELE OB	1,321.31
SWANPOEL MG	1,484.00
BORN FREE INV 319	20,541.00
VAN DER WESTHUIZEN CF	6,194.63
COETZEE W	2,653.00
ALBERTS E	29,092.06
ZANDBERG JG	3,385.43
RANDBOND ESTATES	167,646.94
BUTLER CR	5,682.00
ABRINA ARREARS	148,012.04
OTHER OUTSTANDING LEVIES UNDER R1,000.00	2,466.29
LEVIES IN ARREARS	<u>1,548,504.18</u>