

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
(Registration number 1996/013332/08)
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2011

Van Sitterts
Chartered Accountants (S.A.)
Registered Accountants and Auditors
Issued 02 November 2011

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2011

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

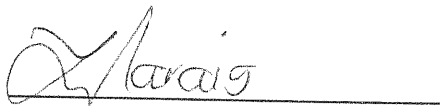
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Approval

The financial statements which appear on pages 3 to 15 were approved by the directors on 02 November 2011



Director



Director

Pretoria

02 November 2011



van sitters

**Geregistreerde Ouditeure
Registered Auditors**

Du Toit Incorporated Reg no. 1999/009532/21
Practice no: 964689
Centurion Gate Office Park
Building 1
Cnr John Vorster Drive & Akkerboom Street
Centurion, 0157
PO Box 26342, Monumentpark, 0105
Tel +27 12 641 0800 Fax +27 12 641 0851
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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 2011, 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 trustees' report, as set out.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

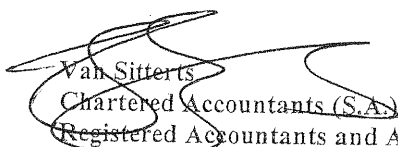
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the home owners association at 28 February 2011 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, appropriate to the business.

Supplementary information

The supplementary schedule set out on page 6 to 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.


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

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PO Box 1120, Cape Gate, 7562
Tel +27 21 981-1979 Fax +27 21 981-1219 E-mail: louis@igt.co.za Cell: 082 926 8376

Per: G van Schalkwyk
Pretoria

02 November 2011

Hatfield Office: 1039 Pretorius Street, Hatfield, Pretoria, 0083
PO Box 1751, Pretoria, 0001
Tel +27 12 342-1800 Fax + 12 342-1954

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) Professional Accountant (SA)

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
REPORT OF THE DIRECTORS
for the year ended 28 February 2011

The directors present their report for the year ended 28 February 2011. This report forms part of the audited financial statements.

1. Business and operations

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

2. Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with South African Auditing Standards. The financial statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

The directors are also responsible for the home owners association's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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

3. Directors

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

Dhevan Pillay
Pasco Lattuca
Dirk Gey van Pittius
Wilhelm van Zyl
Darian van Loggenberg
Willie van Aadt
Ina Jonker
Tania Marais
Anton van Vuuren
Lisa Kraut

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
REPORT OF THE DIRECTORS
for the year ended 28 February 2011

4. Managing agents

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

138 Muckleneuk Street
Nieuw Muckleneuk
Pretoria
0181

PO Box 2500
Brooklyn Square
Pretoria

5. Auditors

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

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
 STATEMENT OF FINANCIAL POSITION
 as at 28 February 2011

	Notes	2011 R	2010 R
Assets			
Current assets			
Trade and other receivables	6	1,825,007	1,623,404
Taxation		25,151	-
Cash and cash equivalents	7	1,358,356	1,081,210
Total assets		<u>3,208,514</u>	<u>2,704,614</u>
Capital and liabilities			
Capital and reserves			
Surplus		2,850,760	2,298,709
Current liabilities			
Taxation		357,754	405,905
Trade and other payables	8	-	92,040
		<u>357,754</u>	<u>313,865</u>
Total capital and liabilities		<u>3,208,514</u>	<u>2,704,614</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
 STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 28 February 2011

	2011 R	2010 R
Gross revenue	3,498,040	3,384,035
Ordinary levies	2,584,534	2,573,423
Access cards levies	8,998	7,764
Double/Triple levies	865,063	731,946
Non refundable road levies	7,000	10,000
Pavement levies	2,231	-
Stand clearing levies	30,214	60,902
Other income	253,565	269,131
Interest received	39,015	250,631
Interest from members	199,550	-
Accreditation fees recovered	15,000	16,000
Other income	-	2,500
Total income	3,751,605	3,653,166
Expenditure (Refer to page 7)	3,161,281	3,124,697
Profit before taxation	590,324	528,469
Taxation	5 38,273	46,352
Profit after taxation	552,051	482,117
Retained profit at beginning of year	2,298,709	1,816,592
Retained profit at end of year	<u>2,850,760</u>	<u>2,298,709</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2011

		2011 R	2010 R
Expenditure			
Accounting fees		3,075	-
Administration fees		20,820	15,609
Advertising		1,970	-
Auditors' remuneration	2	3,180	3,130
Bad debts		-	136,356
Bank charges		15,027	34,912
Cleaning		2,305	11,389
Community garden improvements - The Hills		39,871	-
Cost of cleaning stands		29,817	60,902
Debit order discount		12,368	-
Entertainment		166	-
Garden improvement and maintenance of the park		21,295	131,626
Garden service (Jomo)		349,658	323,315
Guard house		5,096	-
Guard house and extension of boundary wall		58,039	-
Insurance	10	15,800	15,831
Interest		9,947	1,596
Legal expenses		1,910	-
Managing agents fees		140,560	319,440
Meeting costs		814	2,255
Municipal charges		198,585	167,127
Postage		3,005	-
Printing and stationery		7,481	7,014
Repairs and maintenance	9	77,520	290,929
Salaries		127,959	-
Secretarial fees		30	-
Security		1,974,165	1,560,724
Sundry expenses		605	19,424
Telephone and fax		39,033	22,668
Wages		1,180	450
Total expenditure		<u>3,161,281</u>	<u>3,124,697</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2011

	Distributable reserve R
Balance at 01 March 2009	
Net surplus for the year	1,816,592
	<u>482,117</u>
Balance at 01 March 2010	
Net surplus for the year	2,298,709
	<u>552,051</u>
Balance at 28 February 2011	<u><u>2,850,760</u></u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
 CASH FLOW STATEMENT
 for the year ended 28 February 2011

	Notes	2011 R	2010 R
Cash flows from operating activities			
Cash receipts from customers		3,433,347	2,822,606
Cash paid to suppliers and employees		<u>(3,229,355)</u>	<u>(3,100,196)</u>
Cash generated by/(utilised in) operating activities	11.1	203,992	(277,590)
Interest received		238,565	250,631
Interest paid		(9,947)	(1,596)
Taxation paid	11.2	<u>(155,464)</u>	<u>(15,246)</u>
Net cash from operating activities		<u>277,146</u>	<u>(43,801)</u>
Increase/(decrease) in cash and cash equivalents		277,146	(43,801)
Cash and cash equivalents at beginning of the year	11.3	<u>1,081,210</u>	<u>1,125,011</u>
Cash and cash equivalents at end of the year	11.3	<u>1,358,356</u>	<u>1,081,210</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2011

1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

1.1 Taxation

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

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 - (2010 R 3,570).

3. Gross revenue

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

	2011 R	2010 R
4. Interest received		
Interest income		
- Interest received	39,015	250,631
- Interest received from members	199,550	-
	238,565	250,631
	2011 R	2010 R
5. Taxation		
South African normal tax		
- Current tax	56,721	60,244
- Prior year adjustments	(18,448)	(13,892)
Tax for the year	38,273	46,352

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2011

	2011 R	2010 R
6. Trade and other receivables		
Debtors for levies	1,518,269	1,548,504
Pre-paid expenses	233,519	-
VAT Control	46,772	67,947
Trust account, managed by Jotam	13,187	-
Electricity receivable	1,678	-
Accounts receivable	2,212	2,212
Pretor suspense account	4,629	-
Municipal deposit	4,741	4,741
	<u>1,825,007</u>	<u>1,623,404</u>
	2011 R	2010 R
7. Cash and cash equivalents		
Pretor Estate Trust Account	1,887	-
Nedbank Cheque Account nr: 1517034132	137,864	-
Trust account, managed by Jotam	-	242,303
Pretor Investment account - 1	718,804	-
Building dep investment - pavement & accreditation	239,505	185,230
Nedbank - 7517501038(1), managed by Directors	258,296	637,742
Investments held by Van Zyl, Le Roux & Hurter Inc	-	13,935
Petty cash	2,000	2,000
	<u>1,358,356</u>	<u>1,081,210</u>
	2011 R	2010 R
8. Trade and other payables		
Sundry creditors	-	395
Pavement deposit	181,541	177,229
Levy refunds	2,314	-
Water payable	6,975	-
Electricity payable	1,952	-
Rates payable	6,842	-
Sewerage payable	397	-
Provision for audit fees	-	3,570
Sundry payables	226	-
PAYE control account	1,244	-
Municipal accounts payable	-	10,111
Estate agents deposits	82,000	82,000
Levies in advance	74,264	40,560
	<u>357,755</u>	<u>313,865</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 28 February 2011

	2011 R	2010 R
9. Repairs and maintenance		
Building	-	7,464
Electrical	4,980	5,055
Fire services	526	1,838
General	840	1,274
Plumbing	5,411	2,030
Security	65,763	273,268
	<u>77,520</u>	<u>290,929</u>

10. Insurance

The 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 2011

11. Notes to the cash flow statement

	2011 R	2010 R
<i>11.1 Cash generated by/(utilised in) operating activities</i>		
Net profit before taxation	590,324	528,469
Adjustments for:		
Interest received	(238,565)	(250,631)
Finance costs	9,947	1,596
	<u>361,706</u>	<u>279,434</u>
Movements in working capital		
Increase in accounts receivable	(201,603)	(543,111)
Increase/(decrease) in accounts payable	43,889	(13,913)
	<u>203,992</u>	<u>(277,590)</u>
	2011 R	2010 R
<i>11.2 Reconciliation of taxation paid during year</i>		
Charge in income statement	(38,273)	(46,352)
Movement in taxation balance	(117,191)	31,106
Payments made	<u>(155,464)</u>	<u>(15,246)</u>
	2011 R	2010 R
<i>11.3 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	<u>1,358,356</u>	<u>1,081,210</u>

WATERKLOOF BOULEVARD HOME OWNERS ASSOCIATION

TAX COMPUTATION

28 February 2011

Ref

Total income	3.751.605		B
Interest received	39,015		A
Penalties charged	199,550		A
Ordinary levies	2,584,534		D
Access cards levies	8,998		D
Pavement levies	2,231		D
Double/Triple levies	865,063		D
Non refundable road levies	7,000		D
Stand clearing levies	30,214		D
Accreditation fees recovered	15,000		A
Total income	3,751,605		
Less exempt from normal tax section 10(1)(e)(i) D	3,498,040		
Less basic exemption section 9(1)(c)	50,000		
	203,565		
TOTAL TAXABLE INCOME			
Allowable deductions			
Audit fees	3,180		
Bank Charges	15,027		
Total allowable deductions	18,207		C
Apportionment of allowable deductions A/B x C/1	988		
Total taxable income	203,565		
Less apportionment of allowable deductions	(988)		
Taxable income for 2011	202.577		
Taxation thereon @ 28c in the Rand	56.722		
Tax liability			
Amount owing/(prepaid) at the beginning of year	92,040		
Prior year adjustment	(92,040)		
Amount refunded/(paid) in respect of prior year	2,831		
Amount owing/(prepaid) in respect of prior year	2,831		
Tax owing/(prepaid) for the current year			
Normal tax	(27,982)		
Per calculation	56,722		
1st provisional payment	(84,704)		
2nd provisional payment	-		
Amount owing/(prepaid) at the end of year	(25,151)		

WATERKLOOF BOULEVARD HOA
SCHEDULE TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2011

DEBTORS LIST AS AT 28 FEB 2011
LEVIES IN ADVANCE

Name	Total
AGENBACHT JF	-1,260.00
BLIGNAUT JF	-5,237.83
COETZEE AW	-0.92
CHILDS RB	-4,800.00
DE KOK	-1,464.04
DE KOK	-1,464.04
DOS SANTOS FERREIRA	-1,260.00
FJ & AM DE FREITAS FAMILY TRUST	-2,400.00
GELDENHUIS GL	-3,780.00
GROBBELAAR (H/O)	-1,112.69
J PRET BELEGGINGS TRUST	-1,260.00
LEIJENAAR FAMILIE TRUST	-1,052.20
LETEBELE	-12.25
LILYCREST TRADING	-2,400.00
LOTZE	-1,191.60
MARCO VALENTE FAMILIE TRUST	-4,800.00
MEDEFINDT	-1,260.00
MENNEN & HEVEN	-1,140.64
MEULMARX CC	-2,380.71
MMUTLANA L	-1,055.23
NKOHANE	-28,225.06
P LEGACY TRUST	-123.86
PRINSLOO HJB	-1,200.03
REITMAN HU & H	-1,260.00
STERNE	-1,200.00
STROH	-8.29
VENTER CJ	-60.00
VISAGIE	-1,500.00
VISAGIE L	-555.05
WATERKLOOF J	-800.00
LEVIES IN ADVANCE	<u>-74,264.44</u>

CREDITORS AGE ANALYSIS for 28 FEB 2011

Name	AGEING				Current	Total
	120 +	90 Days	60 Days	30 Days		
LEVY REFUNDS					2,314.00	2,314.00
CITY OF TSHWANE					16,165.00	16,165.00
UIF					226.00	226.00
PAYE					1,244.00	1,244.00
ESTATE AGENT DEPOSITS					82,000.00	82,000.00
PAVEMENT DEPOSITS					181,541.00	181,541.00
TRADE CREDITORS	-	-	-	-	<u>283,490.00</u>	<u>283,490.00</u>

WATERKLOOF BOULEVARD HOA
SCHEDULE TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2011

DEBTORS LIST AS AT 28 FEB 2011
LEVIES IN ARREARS

Name	Total
ABRINA ARREARS	119,723.07
ALBERTS E	7,904.07
AUTUMN STORM INVESTMENTS	6,720.11
AWAIZ PROPERTY CC	51,553.02
BORN FREE INV 319	36,916.53
BOSCH (H/O)	49,718.27
CASADOBE PROPS PT	1,310.45
DOLAMO MC & VE	43,896.02
DOS SANTOS	9,782.87
ELLISON (H/O)	5,505.41
FIRSTRAND BANK LTD	6,310.71
FRBL FIRST RAND BANK LIMITED	8,541.31
HAJINICOLAOU	2,400.00
LAOSEBIKAN OAA	127,522.48
MAGALULA (H/O)	20,800.75
MAMUHLE PROJECTS CC	9,043.14
MARAIS M	95,095.90
MINENZA & ASSOCIATES (PTY) LTD	20,479.46
MKHODO BA	210,955.12
MODINGWANA GSMI	46,953.05
MORULA COMMUNICATION	24,849.69
MYSTIC BLUE TRADING 353	2,429.85
NORTJIE FAMILIE TRUST	1,130.36
PEREIRA CHADINHA	1,225.60
RANDBOND ESTATES (PTY) LTD	237,769.97
STANDARD BANK	32,761.56
STHINDA SNR BUSINESS TRUST	3,644.89
STRAUSS (H/O)	97,357.46
TALJAARD (H/O)	2,825.64
TSHABALALA DB	34,061.12
VAN DER WESTHUIZEN	11,722.86
VAN SCHALKWYK	126,823.37
WHIRLAWAY TRADING 120 CC	49,812.15
ZANDBERG JG	6,230.82
OTHER OUTSTANDING LEVIES UNDER R1,000.00	4,492.23
LEVIES IN ARREARS	<u>1,518,269.31</u>