

**MARINA DA GAMA ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Managing the collective interests common to all homeowner members at the Marina da Gama
Excom members	J. Fitzpatrick G. Goldblatt T. Joubert C. Philip L. Gafoor A. Hemp N. Thompson-Evans T. Quelch R. Carlisle
Registered office	Shop 7, Eastlake Village Centre Eastlake Drive Eastlake Island Marina da Gama 7945
Postal address	P.O. Box 121 Muizenberg 7945
Bankers	Standard Bank of SA Limited
Independent auditors	BDV Platinum Chartered Accountants (SA) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the basis of accounting as set out in Note 1 to the annual financial statements and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the basis of accounting as set out in Note 1 to the annual financial statements and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Excom Members' Responsibilities and Approval

Excom members ("Excom") are required 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 association 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 basis of accounting as set out in Note 1 to the financial statements. 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 basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

Excom is 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.

In light of the current financial position, Excom is satisfied that the association 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 association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by Excom and were signed on their behalf by:

Approval of annual financial statements



T. Quelch



C. Phillip

08/05/2018

Date

08/05/2018

Date

Independent Auditor's Report

To the Members of Marina da Gama Association

Opinion

We have audited the annual financial statements of Marina da Gama Association set out on pages 7 to 16, which comprise the statement of financial position as at 28 February 2018, and the statement of financial performance, statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and 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 Marina da Gama Association as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

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 association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Excom is responsible for the other information. The other information comprises the Excom Members' Report as required by Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), which we obtained prior to the date of this report. 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 Excom members for the Annual Financial Statements

Excom is responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), and for such internal control as Excom determines 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, Excom is responsible for assessing the association'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 Excom either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

BDV Platinum Professional Services Incorporated

Company Reg No: 2014/122739/21 | **VAT No:** 4140194244

Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7945

Postal Address: PO Box 31406 | Tokai 7986 | **Email:** admin@bdvplatinum.com

Telephone: 021 701 7620 | **Fax:** 086 639 9572 | **Web:** www.bdvplatinum.com

Directors: Carel Braam de Vries, Mark Dawson, Imtieez Anthony

Practice No: 803104

Independent Auditor's Report


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.

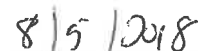
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Excom.
- Conclude on the appropriateness of Excom's 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 association'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 association 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 Excom 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.



BDV Platinum
Director - Braam De Vries
Chartered Accountants (SA)
Registered Auditors



Date

BDV Platinum Professional Services Incorporated**Company Reg No:** 2014/122739/21 | **VAT No:** 4140184244**Physical Address:** 49 Bell Crescent, | Westlake Business Park | Westlake 7945**Postal Address:** PO Box 31406 | Tokai 7986 | **Email:** admin@bdvplatinum.com**Telephone:** 021 701 7820 | **Fax:** 086 639 9572 | **Web:** www.bdvplatinum.com**Directors:** Carel Braam de Vries, Mark Dawson, Imtiaz Anthony**Practice No:** 803104

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Excom Members' Report

Excom submits their report for the year ended 28 February 2018.

1. Review of activities

Main business and operations

The association is engaged in managing the collective interests common to all homeowner members at the Marina da Gama and operates in South Africa.

The operating results and state of affairs of the association are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the association was R108,919 (2017: surplus R25,480), after taxation of R2,507 (2017: R4,379).

2. 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.

3. Events after the reporting period

Excom is not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Subscriptions

Subscriptions paid by members and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 108,919 (2017: R 25,480).

5. Excom members

The members of Excom during the year and to the date of this report are as follows:

<i>Name</i>	<i>Area</i>	<i>Date of appointment / resignation</i>	<i>Attendance</i>
J. Fitzpatrick	Eastlake	Appointed on 29/06/2015	10/12
G. Goldblatt	Eastlake	Appointed prior to 29/06/2015	11/12
T. Joubert	Park	Appointed prior to 29/06/2015	9/12
C. Philip	Eastlake	Appointed on 29/06/2015	11/12
L. Gafoor	Uitsig	Appointed on 25/07/2016	11/12
A. Hemp	Uitsig	Appointed on 25/07/2016	12/12
N. Thompson-Evans	Eastlake	Appointed on 05/06/2017	3/9
T. Quelch	Park	Appointed on 05/06/2017	9/9
R. Carlisle	Park	Appointed on 05/06/2017	8/9
P. Cawood	Uitsig	Resigned on 17/07/2017	4/5
W. Giljam	Park	Resigned on 10/12/2017	9/10
H. Gorrie	Uitsig	Resigned on 23/08/2017	1/3

6. Independent auditors

BDV Platinum will continue in office for the next financial period, with the approval of the Excom members at the annual general meeting of members.

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	878
Current Assets			
Subscriptions receivable	3	65,270	34,200
Other receivables	4	1,450	3,698
Cash and cash equivalents	5	663,035	569,508
		729,755	607,406
Total Assets		729,755	608,284
Equity and Liabilities			
Owners' funds and reserves			
Reserves		598,100	193,150
Accumulated surplus		74,451	315,533
		672,551	508,683
Liabilities			
Current Liabilities			
Trade and other payables	8	50,317	55,522
Current tax payable		6,887	4,379
Archcom deposits	9	-	39,700
		57,204	99,601
Total Equity and Liabilities		729,755	608,284

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Revenue			
Members' subscriptions		525,227	482,357
Interest received		42,596	36,719
Advertising income		13,118	26,511
Administration fees		2,550	3,150
Other income		1,000	-
Total income		584,491	548,737
Operating expenses			
Administration and sundries			
AGM and special meeting expenses		12,439	4,582
Auditing and bookkeeping fees		10,350	15,780
Bad debts provision		22,905	(2,192)
Bank charges		9,122	9,010
Cleaning		530	794
Committee meeting expenses		750	2,125
Computer and office equipment expenses		4,716	3,757
CSOS levies		3,692	-
Depreciation		878	4,103
Gifts and donations		728	1,539
Printing, stationery and postage		4,462	4,089
Rent of office and storeroom		58,647	62,231
Security monitoring		1,944	1,944
Newsletters - Design and printing		27,344	37,536
Telephone, fax, internet and survey		11,529	10,457
Website		1,241	320
Debt collection commission		4,865	20,624
Insurance		4,037	3,954
Legal expenses - Debt collection		-	6,985
Legal expenses - Rezoning		43,800	59,594
Legal expenses - Standards		3,472	33,938
Professional fees		-	3,000
Social activities		5,225	1,821
		232,676	285,991
Employee costs			
Employee costs - salaried staff		164,696	160,413
		164,696	160,413
Municipal charges			
Electricity		1,800	1,722
		1,800	1,722

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Repairs and maintenance			
Office		1,490	302
Parks labour		54,780	52,164
Parks materials		7,895	3,727
Property		2,443	7,077
Security upgrades		7,286	7,485
		73,894	70,755
Total operating expenses		473,066	518,881
Surplus before taxation		111,425	29,856
Taxation	10	(2,507)	(4,379)
Surplus for the year		108,918	25,477

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Reserves

Figures in Rand	Archcom deposits reserve fund	Security capex reserve fund	Total reserves	Accumulated surplus	Total owners' funds and reserves
Balance at 01 March 2016	179,850	-	179,850	290,056	469,906
Surplus for the year	-	-	-	25,477	25,477
Transferred from Archcom deposits liability	13,300	-	13,300	-	13,300
Balance at 01 March 2017	193,150	-	193,150	315,533	508,683
Surplus for the year	-	-	-	108,918	108,918
Transferred from Archcom deposits liability	54,950	-	54,950	-	54,950
Transfer from accumulated surplus to security capex reserve fund	-	350,000	350,000	(350,000)	-
Balance at 28 February 2018	248,100	350,000	598,100	74,451	672,551
Note(s)	6	7			

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from operations	12	78,276	50,631
Tax received	13	1	-
Net cash from operating activities		78,277	50,631
Cash flows from investing activities			
Sale of property, plant and equipment	2	-	5
Cash flows from financing activities			
Movement in archcom deposits		15,250	9,200
Total cash movement for the year		93,527	59,836
Cash at the beginning of the year		569,508	509,672
Total cash at end of the year	5	663,035	569,508

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

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 accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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 is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

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

Item	Depreciation method	Average useful life
Irrigation and gardening equipment	Straight line	5 years
Office furniture	Straight line	6 years
Sound equipment	Straight line	5 years

1.2 Subscriptions receivable

Subscriptions receivable are initially and subsequently measured at cost, less provisions for bad and doubtful debts.

1.3 Other receivables

Other receivables are initially and subsequently measured at cost.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits initially and subsequently recorded at cost and are not revalued.

1.5 Trade and other payables

Trade and other payables are initially and subsequently measured at cost.

1.6 Capital and other reserves

At the discretion of the Excom members, a certain portion of the surplus in each year is transferred to reserve accounts. These funds are set aside for future expenditure and are represented by the surplus cash of the association. During the year, income and expenditure transactions which relate to the reserve accounts are posted directly to the reserve accounts. At the end of the year the Excom members makes a decision regarding final transfers to / from the Income statement and Accumulated surplus to / from the Reserve accounts including transfers between Reserve accounts.

1.7 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.

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.7 Tax (continued)

Tax expenses

The association is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, members' subscriptions and recoveries are fully exempt. All other income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less a portion of deductible administrative expenses.

1.8 Revenue

Revenue is recognised on an invoice basis. Revenue consists mainly of members' subscriptions which are used to manage the township.

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

Other income is recognised in surplus or deficit on receipt.

1.9 Expenses

Expenses represent all of the administration, operating and management expenses for the association and are recognised on an accrual basis.

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Irrigation and gardening equipment	15,162	(15,162)	-	15,162	(15,162)	-
Office furniture	8,327	(8,327)	-	8,327	(8,327)	-
Sound equipment	7,145	(7,145)	-	7,145	(6,267)	878
Total	30,634	(30,634)	-	30,634	(29,756)	878

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Closing balance
Sound equipment	878	(878)	-

Reconciliation of property, plant and equipment - 2017

	Opening balance	Disposals	Depreciation	Closing balance
Irrigation and gardening equipment	1,687	(1)	(1,686)	-
Office furniture	988	-	(988)	-
Office equipment	1	(1)	-	-
Computer equipment	1	(1)	-	-
Road maps and signage	1	(1)	-	-
Security fencing	1	(1)	-	-
Sound equipment	2,307	-	(1,429)	878
	4,986	(5)	(4,103)	878

3. Subscriptions receivable

Comprise outstanding subscriptions for:		210,779	156,803
2017/2018		123,898	-
2016/2017		37,197	95,614
2015/2016		16,119	27,544
Prior years		33,565	33,645
Less: Provision for bad and doubtful debts		(145,509)	(122,603)
2017/2018		(83,740)	-
2016/2017		(28,057)	(93,342)
2015/2016		(9,091)	(10,484)
Prior years		(24,621)	(18,777)
		65,270	34,200

The provision for bad and doubtful debts has been determined by reference to the amounts still outstanding as at 31 March 2018 in respect of the above years subscriptions. The write off to bad debts in the statement of comprehensive income has been determined by reference to the adjustment required to the provision for bad and doubtful debts account.

4. Other receivables

Deposits	1,450	1,450
Advertising income	-	2,248
	1,450	3,698

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	421	3,818
Current account	6,259	10,495
Money market call account	468,237	376,741
Marketlink call account - Archcom deposits reserve fund	188,118	178,454
	663,035	569,508

At the year end, there were certain amounts related to the Archcom deposits included in the Money market call account. These amounts have subsequently been transferred to the Marketlink call account after year end.

6. Archcom deposits reserve fund

Opening balance	193,150	179,850
Transferred to reserve during the year	54,950	13,300
Closing balance	248,100	193,150

7. Security capex reserve fund

Opening balance	-	-
Transferred from accumulated surplus	350,000	-
Closing balance	350,000	-

At an Ordinary General Meeting held on 26/03/2018, the members approved a security proposal and an amount of R350,000 has been ring-fenced to be used for capex.

8. Trade and other payables

Subscriptions received in advance	46,755	50,422
SSL - security cameras	3,430	-
Accrued expenses	132	5,100
	50,317	55,522

9. Archcom deposits

Deposits outstanding at end of February	248,100	232,850
Less: Unclaimed deposits written back to reserve fund	(248,100)	(193,150)
- in respect of prior years	193,150	179,850
- in respect of current year	15,250	13,300
- current portion written back to reserve fund	39,700	-
Included in current liabilities	-	39,700

The archcom deposits liability was transferred to the archcom deposits reserve fund.

10. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - year	2,507	4,379

Marina da Gama Association

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
11. Auditor's remuneration		
Fees	6,840	6,840
12. Cash generated from operations		
Surplus before taxation	111,425	29,856
Adjustments for:		
Depreciation	878	4,102
Changes in working capital:		
Subscriptions receivable	(31,070)	12,470
Other receivables	2,248	(2,248)
Trade and other payables	(5,205)	6,451
	78,276	50,631
13. Tax refunded		
Balance at beginning of the year	(4,379)	-
Current tax for the year recognised in surplus (deficit) or deficit	(2,507)	(4,379)
Balance at end of the year	6,887	4,379
	1	-

14. Marina News

Marina da Gama Association has a newsletter called the Marina News which is distributed to members. The association generates advertising income from the newsletter which is included in revenue.