The Coves Governing Body NPC

(Registration Number 2003/010909/08)

Annual Financial Statements

for the year ended 30 June 2021

Audited Financial Statements

in compliance with Companies Act 71 of 2008

Prepared by: C Barnard

Reviewed by: G F C Loots CA (SA)

The Coves Governing Body NPC

(Registration Number 2003/010909/08)

Annual Financial Statements for the year ended 30 June 2021

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2003/010909/08
Nature of Business and objectives	To co-ordinate the communal interest of its members and the managerial functions and activities of the Company.
Directors	N J Barnard MH Fikkert JP Fourie (Chairperson) DL Keeling M S Masemola AD McGregor A G W Shannon (Vice-Chairperson) N Golele-Tshabalala GW Stoger
Registered Office	The Coves Estate R512 Provincial road Broederstroom 0240
Postal Address	P O Box 973 Broederstroom 0240
Bankers	Standard Bank of South Africa
Taxation Number	9269511151

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Geregistreerde Ouditeure GO (SA)

GKL
OUDITEURE / AUDITORS
(Sedert / Since 1949)
Praktyk No / Practice Nr 902411

Geregistreerde Belastingpraktisyns
Registered Tax Practitioners
Rekeningkundige Dienste
Accounting Services
Boedelbeplanning en -Bereddering
Estate planning and Administration
Ouditering / Auditing

Registered Auditors RA (SA)

Independent Auditor's Report

To the Members of The Coves Governing Body NPC

Opinion

We have audited the financial statements of The Coves Governing Body NPC set out on pages 7 to 18, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the non-profit company as at 30 June 2021, and its financial performance and 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 Companies Act 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the non-profit company 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 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the non-profit company'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 the directors either intend to liquidate the non-profit company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 non-profit company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 non-profit company'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 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 non-profit company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors 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.

GKL Auditors

05 October 2021

Per : GFC Loots
Partner
Chartered Accountant (SA)

97 Ludorf Street
Brits
0250

The Coves Governing Body NPC

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Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 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 satisfy the financial reporting standards with regards form and content and present fairly the statement of financial position, results of operations and business of the Non-Profit Company, and explain the transactions and financial position of the business of the Non-Profit Company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Non-Profit Company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Non-Profit Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 Non-Profit Company and all employees are required to maintain the highest ethical standards in ensuring the Non-Profit Company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Non-Profit Company is on identifying, assessing, managing and monitoring all known forms of risk across the Non-Profit Company. While operating risk cannot be fully eliminated, the Non-Profit Company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management and the external auditors, 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. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the Non-Profit Company will not be a going concern in the foreseeable future. The financial statements support the viability of the Non-Profit Company.

The annual financial statements have been audited by the independent auditing firm, GKL Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 3 to 4.

The annual financial statements set out on pages 7 to 18 were approved by the directors on 05 October 2021 and were signed on their behalf by:

Director

Director

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements for the year ended 30 June 2021

Directors' Report

The directors present their report for the year ended 30 June 2021.

1. **Review of objectives, financial results and activities Main business and objectives**
The principal activity of the Non-Profit Company is to co-ordinate the communal interest of its members and the managerial functions and activities of the Company. There were no major changes herein during the year.

The operating results and statement of financial position of the Non-Profit Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The President declared a National State of Disaster due to the COVID-19 pandemic and placed South Africa in a National Lock-down as of 27 March 2020, in order to combat the spread of COVID-19. At the date of this report there are still some restrictions in place and the adverse effect of COVID-19 on the economy is still being experienced.

The directors believe, at the date of this report, that the Company has access to adequate financial resources to meet its foreseeable cash requirements including possible prolonged periods of debtor recoveries due to COVID-19.

3. **Events after reporting date**
All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

4. **Directors**
The directors of the Non-Profit Company during the year and up to the date of this report are as follows:
N J Barnard
MH Fikkert
JP Fourie (Chairperson)
DL Keeling
M S Masemola
AD McGregor
A G W Shannon (Vice-Chairperson)
N Golele-Tshabalala - Appointed 7 November 2020
J Reid - Appointed 7 November 2020
GW Stoger - Appointed 8 July 2021
G Esterhuizen - 7 November 2020 (Resigned)
T S Hutton - 7 November 2020 (Resigned)
K P Petty - 22 April 2021 (Resigned)

5. **Independent Auditors**
GKL Auditors were the independent auditors for the year under review and will continue in terms of the Companies Act.

The Coves Governing Body NPC

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Financial Statements for the year ended 30 June 2021

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Plant, equipment and improvements	3	6,292,403	6,876,200
Fixed property	7	1	1
Total non-current assets		**6,292,404**	**6,876,201**
Current assets			
Inventories	4	66,752	29,405
Trade and other receivables	5	1,117,680	1,369,229
Cash and cash equivalents	8	12,935,593	9,221,351
Total current assets		**14,120,025**	**10,619,985**
Total assets		**20,412,429**	**17,496,186**
Equity and liabilities			
Equity			
Accumulated surplus		10,848,035	11,142,881
Reserve funds	13	5,531,240	3,332,539
Total equity		**16,379,275**	**14,475,420**
Liabilities			
Current liabilities			
Trade and other payables	9	3,742,369	2,505,039
Taxation	6	290,785	515,729
Total current liabilities		**4,033,154**	**3,020,768**
Total liabilities		**4,033,154**	**3,020,768**
Total equity and liabilities		**20,412,429**	**17,496,186**

The Coves Governing Body NPC

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Financial Statements for the year ended 30 June 2021

Statement of Comprehensive Income

Figures in R	Note	2021	2020
Levy income		14,832,600	14,832,600
Other income		2,757,304	2,516,357
Operating expenses		(16,210,722)	(15,880,103)
Surplus from operating activities		**1,379,182**	**1,468,854**
Finance income		483,268	509,894
Surplus before taxation		**1,862,450**	**1,978,748**
Income taxation expense	10	(290,785)	(222,632)
Surplus for the year		**1,571,665**	**1,756,116**
Other comprehensive income net of taxation			
Components of other comprehensive income			
Reserve fund levy		628,500	1,257,000
Speeding penalties		160,500	-
Operational projects – Completion of prior year projects		(456,806)	-
Total other comprehensive income		**332,194**	**1,257,000**
Total other comprehensive income net of taxation		**332,194**	**1,257,000**
Total comprehensive income		**1,903,859**	**3,013,116**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2021

Statement of Changes in Equity

Figures in R	Consolidate Reserve fund	Accumulated surplus	Total
Balance at 1 July 2019	2,075,539	9,386,765	11,462,304
Changes in equity			
Surplus for the year	-	1,756,116	1,756,116
Other comprehensive income	1,257,000	-	1,257,000
Balance at 30 June 2020	**3,332,539**	**11,142,881**	**14,475,420**
Changes in equity			
Surplus for the year	-	1,571,665	1,577,487
Other comprehensive income	332,190	-	332,190
Transfer of reserves	1,866,411	(1,866,411)	-
Balance at 30 June 2021	**5,531,241**	**10,848,035**	**16,379,275**

The Coves Governing Body NPC

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Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

Figures in R	Notes	2021	2020
Cash flows from operations			
Surplus for the year		**1,571,665**	**1,756,116**
Adjustments for :			
Taxation expense		290,785	222,632
Finance income		(483,268)	(509,894)
(Increase) / Decrease in inventories		(37,347)	37,214
Decrease / (Increase) in trade accounts receivables		251,549	(648,754)
Increase / (Decrease) in trade and other payables		1,237,330	(687,097)
Depreciation		1,602,148	1,267,006
Other comprehensive income		332,194	1,257,000
Total adjustments to reconcile surplus		**4,765,056**	**2,694,223**
Net cash flows from operations		**4,765,056**	**2,694,223**
Interest received		483,268	509,894
Taxation paid		(515,731)	-
Net cash flows from operating activities		**4,732,593**	**3,204,117**
Cash flows used in investing activities			
Purchase of plant, equipment and improvements	3	(1,018,351)	(1,821,851)
Cash flows used in investing activities		**3,714,242**	**1,382,266**
Net increase in cash and cash equivalents		**3,714,242**	**1,382,266**
Cash and cash equivalents at beginning of the year		9,221,351	7,839,085
Cash and cash equivalents at end of the year	**8**	**12,935,593**	**9,221,351**

Accounting Policies

1. General information

The Coves Governing Body NPC is a Non-Profit Company. The principal activities are to co-ordinate the communal interest of its members and the managerial functions and activities of the Company.

The Non-Profit Company is incorporated as a Non-Profit Company and domiciled in South Africa. The address of its registered office is The Coves Estate, R512 Provincial Road, Broederstroom, 0240.

2. Basis of preparation and summary of significant accounting policies

The financial statements of The Coves Governing Body NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset carrying amount is written down immediately to its recoverable amount if the asset carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains / losses in the statement of comprehensive income.

Buildings and improvements	5 %
Tractors	10 %
Motorised equipment and motor vehicles	20 %
Furniture and equipment	10 %
Security	33 %
Office equipment	16.67%
Computer equipment	33 %
Water purification system	8 %
Sewerage plant and pumps	25 %
Fences	5 %
Equipment	16.67% - 20%
Security projects	10 %

Accounting Policies

2.2 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

2.3 Taxation

The taxation expense for the period comprises current tax. Taxation is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income.

The current income taxation charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

2.4 Provisions

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.5 Revenue

Levies are measured at the fair value of the amounts received or receivable.

2.6 Interest

Interest income is recognized using the effective interest method.

2.7 Trade and other receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at cost less provisions for impairment losses for bad debt and doubtful debts, if any.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments.

3. Plant, equipment, and improvements

3.1 Balances at year end and movements for the year

	Buildings and improve-ments	Fences	Tractors	Motorised equipment and Motor vehicles	Furniture and equipment	Office equipment	Computer equipment	Workshop equipment	Security	Water purification system	Sewerage plant and pumps	Total
Balance at 30 June 2019												
At cost	631,806	171,315	473,988	655,298	605,990	73,613	128,960	80,740	5,613,018	2,192,052	1,618,985	**12,245,763**
Accumulated depreciation	(31,739)	(30,355)	(397,567)	(483,099)	(364,213)	(51,202)	(108,899)	(38,315)	(3,015,424)	(1,224,670)	(178,925)	**(5,924,408)**
Net book value at 30 June 2019	**600,067**	**140,960**	**76,421**	**172,199**	**241,777**	**22,411**	**20,061**	**42,425**	**2,597,594**	**967,382**	**1,440,060**	**6,321,355**
Movements for the year ended 30 June 2020												
Additions	18,127	-	-	511,360	943,415	-	-	-	47,479	69,605	231,862	**1,821,851**
Depreciation	(31,788)	(8,565)	(26,200)	(114,940)	(149,941)	(6,503)	(11,386)	(9,822)	(426,077)	(182,544)	(299,240)	**(1,267,006)**
Plant, equipment and improvements at end of year	**586,406**	**132,395**	**50,221**	**568,619**	**1,085,252**	**15,908**	**8,675**	**32,603**	**2,218,996**	**854,443**	**1,372,682**	**6,876,200**
Closing balance at 30 June 2020												
At cost	649,933	171,315	473,988	1,166,658	1,549,405	73,613	128,960	80,740	5,660,497	2,261,658	1,850,847	**14,067,614**
Accumulated depreciation	(63,527)	(38,920)	(423,767)	(598,039)	(514,157)	(57,705)	(120,285)	(48,137)	(3,441,501)	(1,407,212)	(478,165)	**(7,191,414)**
Net book value at 30 June 2020	**586,406**	**132,395**	**50,221**	**568,619**	**1,035,248**	**15,908**	**8,675**	**32,603**	**2,218,996**	**854,446**	**1,372,682**	**6,876,200**
Movements for the year ended 30 June 2021												
Additions	-	-	-	107,013	74,805	-	27,998	-	129,260	470,122	216,288	**1,025,485**
Disposal / Scrapping of assets	-	-	-	-	-	-	-	-	-	(7,134)	-	**(7,134)**
Depreciation	(32,468)	(8,565)	(26,200)	(160,254)	(193,490)	(6,498)	(14,680)	(13,014)	(446,173)	(203,515)	(497,291)	**(1,602,148)**
Plant, equipment and improvements at end of year	**553,938**	**123,830**	**24,021**	**515,378**	**755,601**	**9,410**	**21,993**	**19,589**	**1,902,083**	**1,274,882**	**1,091,679**	**6,292,403**
Closing balance at 30 June 2021												
At cost	649,933	171,315	473,988	1,273,671	1,457,063	73,613	156,958	80,740	5,789,757	2,891,793	2,067,135	**15,085,965**
Accumulated depreciation	(95,995)	(47,485)	(449,967)	(758,293)	(701,462)	(64,203)	(134,965)	(61,151)	(3,887,674)	(1,616,911)	(975,456)	**(8,793,562)**
Net book value at 30 June 2021	**553,938**	**123,830**	**24,021**	**515,378**	**755,601**	**9,410**	**21,993**	**19,589**	**1,902,083**	**1,274,882**	**1,091,679**	**6,292,403**

Notes to the Financial Statements

Figures in R	2021	2020
4. Inventories		
Consumables on hand	66,752	29,405
5. Trade and other receivables		
Outstanding levies	1,850,726	2,128,417
Other receivables	38,250	32,507
Levies billed in advance	(1,380,487)	(1,330,725)
Water levies receivable	200,958	130,782
Madibeng rates and taxes	47,202	47,218
VAT receivable	361,030	361,030
Total receivables	**1,117,680**	**1,369,229**
6. Tax liabilities		
Net tax liability from all items being set off	(290,785)	(515,728)
Total tax liability per the statement of financial position	**(290,785)**	**(515,728)**
7. Fixed property		
Fixed Property	1	1
Fixed property comprises of communal property transferred by the developer to the Company and consists of the following Erven : 1 ,107 , 172 ,174 , 184 , 211 , 212 ,245 , 246 , 247 , 248 , 249 , 250 , 251 ,252 , 253 , 254, 255, 256 , 257 , 258 , 259 ,260,portion 1 of 170 and portion 16 of 170 The Coves Township, Registration Division J.Q. , North West Province. Erven : 34 , 35 and 36 Heron Cove Township, Registration Division J.Q. , North West Province.		
8. Cash and cash equivalents		
Standard Bank Cheque account	648,180	465,677
Standard Bank Building Deposits	1,077,967	748,230
Standard Bank Call Deposit	10,891,718	7,704,381
Money Market Account	310,613	300,814
Cash on hand	7,115	2,249
Total cash and cash equivalents	**12,935,593**	**9,221,351**

Notes to the Financial Statements

Figures in R	2021	2020
9. Trade and other payables		
Accruals	1,273,759	484,577
Insurance claims	-	80,289
Provisions	535,982	468,713
Municipal Services	324,482	300,076
Audit fees	45,755	45,820
Building deposits	1,077,968	748,230
Prepaid levies	263,212	205,804
Resale clearance balances	72,308	55,936
Rental deposits	6,042	6,042
Social Club	21,079	21,079
Cycle Club	8,476	8,476
Conservation fund	5,792	5,792
Aero Club	100,019	67,740
Covid-19 support fund	7,495	6,465
Total trade and other payables	**3,742,369**	**2,505,039**
10. Taxation		
10.1 Income taxation expense		
Current taxation	(290,785)	(222,632)
Income taxation for the year	**(290,785)**	**(222,632)**
10.2 Tax calculation		
Non-levy income	1,093,314	848,610
Less : Exempt portion (Sec 10(1)(e))	(50,000)	(50,000)
Apportionment of allowable deductions	(4,793)	(3,492)
Taxable Non-levy income	1,038,521	795,118
Taxation @ 28%	**290,785**	**222,632**

11. Contingent liabilities

The VAT provision raised was objected against and further correspondence is still to be received from SARS regarding this matter.

Notes to the Financial Statements

Figures in R	2021	2020
12. Surplus before tax		
12.1 Other income		
Agent registration fees	11,000	1,000
Boat registration fees	600	100
Canoe racks	15,360	14,080
Clearance certificate fees	32,925	14,325
Fines	38,200	46,750
Non-completion building levy	5 000	60,000
Sundry income	25,970	4,755
Rental and utilities income	271,582	237,596
Unclaimed levy receipts	17,495	37,340
Gate encroachment developer	33,000	-
	451,132	415,946
12.2 Interest received		
Bank	297,136	375,572
Members	186,132	134,322
	483,268	509,894
12.3 Auditors' remuneration		
Fee for audit	45,000	49,175
	45,000	49,175
12.4 Depreciation		
Buildings and improvements	32,468	31,788
Tractors	26,200	26,200
Motorised equipment and motor vehicles	160,254	114,940
Furniture and equipment	193,490	143,759
Security	446,173	426,077
Office equipment	6,498	6,503
Computer equipment	14,680	11,386
Workshop equipment	13,014	9,822
Water purification system	203,515	188,726
Sewerage plant and pumps	497,291	299,240
Fences	8,565	8,565
	1,602,148	1,267,006

Notes to the Financial Statements

Figures in R	2021	2020
12.5 Estate repairs and maintenance		
Aviation and runway	52,141	15,018
Buildings and facilities	100,623	122,616
Cleaning materials and consumables	69,260	33,289
Clubhouse equipment maintenance	34,564	18,058
Compost site	-	7,246
Electrical	65,965	68,069
Fire equipment	31,051	19,236
Generator fuel and repairs	91,101	105,435
Internal dams	80,440	4,145
Roads	200,030	27,057
Plumbing	22,323	18,138
Shoreline cleaning	70,662	61,116
Signage	1,532	11,030
Toilet hire	18,896	33,539
Tools	11,567	23,126
	850,155	567,118
12.6 Security		
Access control	265,680	229,520
Access screening	6,244	28,244
Motor vehicle - fuel and oil	34,687	34,895
Security guards	3,085,839	2,912,260
Security maintenance	114,920	112,936
Service level agreement	197,892	198,718
	3,705,262	3,516,573
12.7 Property expense services		
Electricity	655,926	683,265
Mini subs services and electrical reticulation	123,938	105,367
Rates	59,456	60,628
Recycling cost	130,466	113,711
Refuse removal	268,305	249,339
Waste disposal and pest control	71,489	79,164
Department Water and Sanitation	10,992	10,992
	1,320,572	1,302,466

Notes to the Financial Statements

Figures in R	2021	2020
12.8 Water and Sewerage expenses		
Sewerage maintenance and chemicals	198,252	283,819
Water and sewerage reticulation	136,603	121,997
SLA water and sewerage	561,108	561,108
Electricity	676,688	702,948
Accounting fees - Water readings	57,757	55,351
	1,630,408	1,725,223
12.9 Farming expenses		
Repairs and maintenance	5,522	14,130
Electricity	18,813	19,683
Labour	17,483	18,546
DWAF	25,648	25,648
	67,466	78,007
13.1 Reserve fund levy		
Opening balance of reserve fund	3,332,539	2,075,539
Reserve levies billed	628,500	1,257,000
Transfer of reserves	1,538,961	-
Balance reserve fund levy	5,500,000	3,332,539
Reserve penalties		
13.2 Opening balance of reserve fund	-	-
Speeding penalties billed	160,500	-
Speed cameras	(129,260)	-
Balance reserve fund levy	31,240	-
Total reserves	**5,531,240**	**3,332,539**

Related party transaction	Relationship	Services rendered	Amount
G Esterhuizen	Director	Services rendered to the company on common property paid to related party.	48,500
D L Keeling	Director	Services rendered to the company on Hyacinth project paid to related party.	61,750
J Reid	Director	Services rendered to the company on Human resources paid to related party.	5,920

15 Comparative figures

Certain comparative figures have been reclassified. The reclassification had no effect on the profit or loss.

16 Long term liabilities

The company did not enter into any long term commitments during the reporting period.

The Coves Governing Body NPC

(Registration Number 2003/010909/08)

Annual Financial Statements for the year ended 30 June 2021

Detailed Income Statement

Figures in R	Notes	2021	2020
Income			
Levies		14,832,600	14,832,600
		14,832,600	**14,832,600**
Other income			
Farming proceeds		173,595	109,440
Interest received	12.2	483,268	509,894
Other income	12.1	451,132	415,946
Water Levies		2,132,577	1,990,971
Total other income		**3,240,572**	**3,026,251**
		18,073,172	**17,858,851**
Less : Expenses (Page 20)		**(14,608,574)**	**(14,613,097)**
Surplus before depreciation and taxation		**3,464,598**	**3,245,754**
Depreciation	12.4	(1,602,148)	(1,267,006)
Taxation	10	(290,785)	(222,632)
Surplus before reserve levies		**1,571,665**	**1,756,116**
Reserve fund levies - Income		628,500	1,257,000
Speeding penalties		160,500	-
Operational projects - Completion of prior year projects		(456,806)	
			-
Surplus for the year		**1,903,859**	**3,013,116**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)

Annual Financial Statements for the year ended 30 June 2021

Detailed Income Statement

Figures in R	Notes	2021	2020
Expenditure			
Accounting fees		(334,096)	(334,095)
Aesthetic fees		(7,837)	(69,000)
Auditors remuneration - fees	12.3	(45,000)	(49,175)
Bank charges		(31,100)	(34,584)
Community support		(10,656)	(2,740)
Consulting fees		(116,493)	(106,444)
Employee costs		(4,520,581)	(4,736,905)
Estate repairs and maintenance	12.5	(850,155)	(567,118)
Equipment rental		(36,568)	-
Farming expenses	12.9	(67,466)	(78,007)
Functions and communication		(20,740)	(49,977)
Insurance		(505,746)	(393,672)
Internet and telephones		(130,358)	(171,129)
Landscaping, gardening , pool and fertilizer		(295,333)	(380,437)
Legal fees		(130,652)	(71,855)
Motor vehicle expenses		(323,736)	(340,811)
Office consumables		(37,091)	(43,375)
Operational projects		(397,268)	(529,852)
Printing and stationery		(25,417)	(22,876)
Property expense services	12.7	(1,320,572)	(1,302,466)
Scrapping of assets		(7,134)	-
Secretarial fees		(3,663)	(5,550)
Security	12.6	(3,705,262)	(3,516,573)
Subscriptions		(13,093)	(18,327)
Technology and equipment		(42,151)	(62,908)
Water and sewerage	12.8	(1,630,408)	(1,725,223)
		(14,608,576)	**(14,613,097)**