The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements
for the year ended 30 June 2022

Audited Financial Statements
in compliance with the Companies Act 71 of 2008
Prepared by: C Barnard
Reviewed by: G F C Loots
Professional designation: CA (SA)

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements for the year ended 30 June 2022

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The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements for the year ended 30 June 2022

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2003/010909/08
Nature of Business and Principal Activities	The Non-Profit Company 's objective is to co-ordinate the communal interest of its members and the managerial functions and activities of the Company.
Directors	T Gumede (Appointed 6 November 2021) J Moodie (Appointed 6 November 2021) D E Bruwer (Appointed 6 November 2021) C L van Niekerk (Appointed 6 November 2021) Z W Mostert (Appointed 6 November 2021) G W Stoger (Appointed 8 July 2021) N Golele-Tshabalala J P Fourie (Chairperson) A D McGregor (Vice-Chairperson) N J Barnard (Resigned 6 November 2021) M H Fikkert (Resigned 6 November 2021) D L Keeling (Resigned 6 November 2021) M S Masemola (Resigned 6 November 2021) A G W Shannon (Resigned 6 November 2021)
Registered Office	The Coves Estate R512 Provincial Road Broederstroom 0240
Postal Address	PO Box 973 Broederstroom 0240
Bankers	Standard Bank of South Africa
Tax Number	9269511151
Auditors	GKL Auditors 97 Ludorf Street Brits 0250

The Coves Governing Body NPC

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Annual Financial Statements for the year ended 30 June 2022

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 to 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 member, 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 5 to 6.

The annual financial statements set out on pages 7 to 18, and the supplementary information set out on pages 19 to 21 which have been prepared on the going concern basis, were approved by the directors and were signed on 10 October 2022 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 2022

Directors' Report

The directors present their report for the year ended 30 June 2022.

1. Review of activities

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

The directors believe that the Non-Profit Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

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:
T Gumede (Appointed 6 November 2021)
J Moodie (Appointed 6 November 2021)
D E Bruwer (Appointed 6 November 2021)
C L van Niekerk (Appointed 6 November 2021)
Z W Mostert (Appointed 6 November 2021)
G W Stoger (Appointed 8 July 2021)
N Golele-Tshabalala
J P Fourie (Chairperson)
A D McGregor (Vice-Chairperson)
N J Barnard (Resigned 6 November 2021)
M H Fikkert (Resigned 6 November 2021)
D L Keeling (Resigned 6 November 2021)
M S Masemola (Resigned 6 November 2021)
A G W Shannon (Resigned 6 November 2021)

5. Independent Auditors

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

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Brits, 0250
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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 2022, 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 Coves Governing Body NPC as at 30 June 2022, 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 **11 October 2022**



Per: GPC Loots
Partner
Registered Auditor

97 Ludorf Street
Brits
0250

The Coves Governing Body NPC

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Financial Statements for the year ended 30 June 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	3	7,413,590	6,292,404
Current assets			
Inventories	4	44,522	66,752
Trade and other receivables	5	1,161,817	1,140,416
Current tax assets	6	81,363	-
Cash and cash equivalents	7	12,138,924	12,935,593
Total current assets		**13,426,626**	**14,142,761**
Total assets		**20,840,216**	**20,435,165**
Equity and liabilities			
Equity			
Accumulated surplus		11,099,252	10,848,126
Reserve funds		6,299,019	5,531,144
Total equity		**17,398,271**	**16,379,270**
Liabilities			
Current liabilities			
Trade and other payables	8	3,441,945	3,765,110
Current tax liabilities	6	-	290,785
Total current liabilities		**3,441,945**	**4,055,895**
Total equity and liabilities		**20,840,216**	**20,435,165**

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Statement of Comprehensive Income

Figures in R	Notes	2022	2021
Levies		15,241,824	14,832,600
Other income	10	2,743,361	2,757,305
Administrative expenses		(694,601)	(557,318)
Operating expenses		(17,299,098)	(15,646,280)
Other gains and (losses)	11	(39,309)	(7,134)
(Deficit) / surplus from operating activities		**(47,823)**	**1,379,173**
Interest received	12	592,762	483,268
Surplus before tax		**544,939**	**1,862,441**
Income tax expense		(293,813)	(290,786)
Surplus for the year		**251,126**	**1,571,655**
Other comprehensive income net of tax			
Components of other comprehensive income that will not be reclassified to surplus or deficit			
Reserve fund levy and speeding penalty		767,875	789,000
Total other comprehensive income		**767,875**	**789,000**
Total other comprehensive income net of tax		**767,875**	**789,000**
Total comprehensive income		**1,019,001**	**2,360,655**

The Coves Governing Body NPC

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Statement of Changes in Equity

Figures in R	Consolidate Reserve fund	Accumulated surplus	Total
Balance at 1 July 2020	3,332,539	11,142,882	14,475,421
Changes in equity			
Transfer of reserves			
Surplus for the year	-	1,571,655	1,571,655
Other comprehensive income	789,000	-	789,000
Total comprehensive income for the year	789,000	1,571,655	2,360,655
Transfers between equity	1,866,411	(1,866,411)	-
Utilised for operational projects	(456,806)	-	(456,806)
Balance at 30 June 2021	**5,531,144**	**10,848,126**	**16,379,270**
Balance at 1 July 2021	5,531,144	10,848,126	16,379,270
Changes in equity			
Surplus for the year	-	251,126	251,126
Other comprehensive income	767,875	-	767,875
Total comprehensive income for the year	767,875	251,126	1,019,001
Balance at 30 June 2022	**6,299,019**	**11,099,252**	**17,398,271**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2022

Statement of Cash Flows

Figures in R	Notes	2022	2021
Net cash flows from operations	14	**1,474,052**	**4,438,961**
Interest paid		-	1,029
Interest received		592,762	483,268
Income taxes paid		(703,065)	(515,730)
Net cash flows from operating activities		**1,363,749**	**4,407,528**
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		(12,904)	-
Purchase of property, plant and equipment		(2,915,390)	(1,025,487)
Cash flows used in investing activities		**(2,928,294)**	**(1,025,487)**
Cash flows from financing activities			
Other inflows (outflows) of cash		767,876	332,201
Cash flows from financing activities		**767,876**	**332,201**
Net (decrease) / increase in cash and cash equivalents		**(796,669)**	**3,714,242**
Cash and cash equivalents at beginning of the year		12,935,593	9,221,351
Cash and cash equivalents at end of the year	7	**12,138,924**	**12,935,593**

Accounting Policies

1. General information

The Coves Governing Body NPC ('the non-profit company') 's objective is 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 Provinsial 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 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	17%
Computer equipment	33%
Water purification system	8%
Sewerage plant and pumps	25%
Fences	5%
Equipment	16.67% - 20%
Security projects	10%
Other fixed assets	16.67% - 20%

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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 recognised immediately in profit or loss.

2.3 Tax

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

The current income tax 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 recognised 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 recognised using the effective interest method.

2.7 Trade and other receivables

Trade receivables are recognised 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.

Notes to the Financial Statements

Figures in R

3. Property, plant and equipment

3.1 Balances at year end and movements for the year

	Buildings and improvements	Water reservoir and purification	Borehole and pivot pumps	Motor vehicles and tractor	Generator, electric cables and voltage regulation	Garden equipment, furniture and fittings	Office equipment	Computer equipment	Security equipment and upgrades	Sewerage plant and upgrades	Waterfront upgrade	Other fixed assets	Energy master plan solution	Hyacinth project	Total
Reconciliation for the year ended 30 June 2022															
Balance at 1 July 2021															
At cost	649,935	2,556,018	128,032	1,747,660	728,150	681,975	73,613	156,958	5,789,757	2,033,908	-	298,992	-	240,968	**15,085,966**
Accumulated depreciation	(95,995)	(1,539,834)	(53,440)	(1,208,260)	(281,289)	(377,710)	(64,203)	(134,965)	(3,887,674)	(968,812)	-	(151,101)	-	(30,279)	**(8,793,562)**
Carrying amount	**553,940**	**1,016,184**	**74,592**	**539,400**	**446,861**	**304,265**	**9,410**	**21,993**	**1,902,083**	**1,065,096**	**-**	**147,891**	**-**	**210,689**	**6,292,404**
Movements for the year ended 30 June 2022															
Additions from acquisitions	56,275	-	-	140,299	74,013	13,848	-	129,140	1,793,187	144,966	507,775	-	55,890	-	**2,915,393**
Depreciation	(32,941)	(155,073)	(22,539)	(191,286)	(136,516)	(51,016)	(3,430)	(18,463)	(541,241)	(492,843)	(74,913)	(22,512)	(932)	(24,097)	**(1,767,802)**
Increase (decrease) through other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(26,405)	-	-	-	-	-	-	-	-	-	-	-	-	**(26,405)**
Property, plant and equipment at the end of the year	**577,274**	**834,706**	**52,053**	**488,413**	**384,358**	**267,097**	**5,980**	**132,670**	**3,154,029**	**717,219**	**432,862**	**125,379**	**54,958**	**186,592**	**7,413,590**
Closing balance at 30 June 2022															
At cost	706,210	2,497,453	128,032	1,887,958	802,164	695,823	73,613	286,098	7,582,944	2,178,874	507,775	298,992	55,890	240,968	**17,942,794**
Accumulated depreciation	(128,936)	(1,662,747)	(75,979)	(1,399,545)	(417,806)	(428,726)	(67,633)	(153,428)	(4,428,915)	(1,461,655)	(74,913)	(173,613)	(932)	(54,376)	**(10,529,204)**
Carrying amount	**577,274**	**834,706**	**52,053**	**488,413**	**384,358**	**267,097**	**5,980**	**132,670**	**3,154,029**	**717,219**	**432,862**	**125,379**	**54,958**	**186,592**	**7,413,590**
Reconciliation for the year ended 30 June 2021															
Balance at 1 July 2020															
At cost	649,935	2,166,853	94,805	1,640,646	715,900	619,420	73,613	128,960	5,660,497	1,850,847	-	298,992	-	167,148	**14,067,616**
Accumulated depreciation	(63,527)	(1,379,377)	(27,834)	(1,021,805)	(147,883)	(323,646)	(57,705)	(120,285)	(3,441,501)	(478,166)	-	(123,502)	-	(6,182)	**(7,191,413)**
Carrying amount	**586,408**	**787,476**	**66,971**	**618,841**	**568,017**	**295,774**	**15,908**	**8,675**	**2,218,996**	**1,372,681**	**-**	**175,490**	**-**	**160,966**	**6,876,203**
Movements for the year ended 30 June 2021															
Additions from acquisitions	-	396,302	33,227	107,013	12,250	62,555	-	27,998	129,260	183,061	-	-	-	73,820	**1,025,485**
Depreciation	(32,468)	(160,458)	(25,606)	(186,454)	(133,406)	(54,064)	(6,498)	(14,680)	(446,173)	(490,646)	-	(27,599)	-	(24,097)	**(1,602,149)**
Increase (decrease) through other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(7,136)	-	-	-	-	-	-	-	-	-	-	-	-	**(7,136)**
Property, plant and equipment at the end of the year	**553,940**	**1,016,184**	**74,592**	**539,400**	**446,861**	**304,265**	**9,410**	**21,993**	**1,902,083**	**1,065,096**	**-**	**147,891**	**-**	**210,689**	**6,292,404**
Closing balance at 30 June 2021															
At cost	649,935	2,556,018	128,032	1,747,660	728,150	681,975	73,613	156,958	5,789,757	2,033,908	-	298,992	-	240,968	**15,085,966**
Accumulated depreciation	(95,995)	(1,539,834)	(53,440)	(1,208,260)	(281,289)	(377,710)	(64,203)	(134,965)	(3,887,674)	(968,812)	-	(151,101)	-	(30,279)	**(8,793,562)**
Carrying amount	**553,940**	**1,016,184**	**74,592**	**539,400**	**446,861**	**304,265**	**9,410**	**21,993**	**1,902,083**	**1,065,096**	**-**	**147,891**	**-**	**210,689**	**6,292,404**

Notes to the Financial Statements

Figures in R	2022	2021

Property, plant and equipment continued...

Buildings and improvements include fixed property to the value of R1, which comprises of communal property transferred by the developer to the company and consists of the following Erven:

3.2 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

4. Inventories

Inventories comprise:

Consumables on hand	44,522	66,752

5. Trade and other receivables

Trade and other receivables comprise:

Outstanding levies	1,997,434	1,873,463
Madibeng rates and taxes	48,404	47,202
Levies billed in advance	(1,476,784)	(1,380,487)
Water levies receivable	157,149	200,958
Other receivables	74,584	38,250
VAT receivable	361,030	361,030
	1,161,817	1,140,416

6. Current tax assets and liabilities

Current tax assets and liabilities comprise the following balances

Net current tax asset from all items being set off	81,363	-
Total current tax asset per the statement of financial position	**81,363**	**-**
Net current tax liability from all items being set off	-	(290,785)
Total current tax liability per the statement of financial position	**-**	**(290,785)**

Notes to the Financial Statements

Figures in R		2022	2021

7. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash			
Cash on hand		760	7,115
Standard Bank Cheque account		964,186	648,180
Standard Bank Building Deposits		1,164,776	1,077,967
Standard Bank Call Deposit		9,687,285	10,891,718
Money Market Account		321,917	310,613
		12,138,924	**12,935,593**

8. Trade and other payables

Trade and other payables comprise:

Accruals		905,881	1,273,765
Rental deposits		6,042	6,042
Aero club		146,369	100,019
Resale clearance balance		80,188	72,308
Social club		21,079	21,079
Cycle club		8,476	8,476
Conservation fund		5,792	5,792
Provisions		428,968	535,980
Municipal service		275,772	324,482
Audit fees		44,205	45,755
Building deposits		1,160,776	1,100,705
Prepaid levies		350,902	263,212
Covid-19 support fund		7,495	7,495
Total trade and other payables		**3,441,945**	**3,765,110**

9. Contingent liabilities

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

10. Other income

Other income comprises:

Other income	15	450,621	451,133
Water levies		2,185,224	2,132,577
Farming proceeds		107,516	173,595
Total other income		**2,743,361**	**2,757,305**

11. Other gains and (losses)

Other gains and (losses) comprise:

Scrapping of assets	(39,309)	(7,134)

Notes to the Financial Statements

Figures in R	2022	2021
12. Finance income		
Interest received:		
Banks	406,872	297,136
Members	185,890	186,132
Total finance income	**592,762**	**483,268**
13. Water and Sewerage expenses		
Water and Sewerage expenses comprise:		
Electricity	846,456	676,688
SLA water and sewerage	594,780	561,108
Accounting fees - Water readings	61,220	57,757
Sewerage maintenance and chemicals	160,665	198,252
Water and sewerage reticulation	330,521	136,603
Total municipal charges	**1,993,642**	**1,630,408**
14. Cash flows from operating activities		
Surplus for the year	**251,126**	**1,571,655**
Adjustments for:		
Income tax expense	293,813	290,786
Finance income	(592,762)	(483,268)
Depreciation and amortisation expense	1,767,798	1,602,148
Gains and losses on disposal of non-current assets	39,309	7,134
Income tax penalties paid	37,104	-
Change in operating assets and liabilities:		
Adjustments for decrease / (increase) in inventories	22,230	(37,347)
Adjustments for (increase) / decrease in trade accounts receivable	(123,971)	366,261
Adjustments for decrease / (increase) in other operating receivables	102,570	(26,141)
Adjustments for (decrease) / increase in trade accounts payable	(367,884)	688,036
Adjustments for increase in other operating payables	44,719	459,697
Net cash flows from operations	**1,474,052**	**4,438,961**

Notes to the Financial Statements

Figures in R	2022	2021
15. Other income		
Agent registration fees	11,000	11,000
Boat registration fees	500	600
Canoe racks	12,324	15,360
Clearance certificate fees	27,730	32,925
Fines	52,000	38,200
Non-completion building levy	2,000	5,000
Sundry income	15,555	25,970
Rental and utilities income	298,683	271,582
Unclaimed levy receipts	30 829	17,496
Gate enroachment developer	-	33,000
	450,621	451,133
16. Depreciation		
Buildings and improvements	32,941	32,467
Water reservoir and purification	155,073	160,457
Borehole and pivot pumps	22,538	25,606
Motor vehicles and tractors	191,286	186,454
Generator, electric cables and voltage regulation	136,516	133,406
Garden equipment , furniture and fittings	51,016	54,064
Office equipment	3,429	6,498
Computer equipment	18,463	14,680
Security equipment and upgrades	541,241	446,173
Sewerage plant and upgrades	492,843	490,647
Waterfront upgrades	74,913	-
Other fixed assets	22,510	27,599
Energy master plan solutions	932	-
Hyacinth project	24,097	24,097
	1,767,798	**1,602,148**
17. Farming expenses		
Repairs and maintenance	-	5,522
Electricity	37,997	18,813
Labour	17,739	17,483
DWAF	27,612	25,648
	83,347	67,466
18. Property expense services		
Department of water and sanitation	10,992	10,992
Electricity	846,456	655,926
Rates Madibeng	59,750	59,456
Recycling Costs	86,580	130,466
Refuse Madibeng	312,042	268,305
Waste disposal and pest control	75,317	71,489
Mini subs services and electrical reticulation	10,670	123,938
	1,401,807	1,320,572

Notes to the Financial Statements

Figures in R	2022	2021
19. Estate repairs and maintenance		
Electrical	62,537	65,965
Fire equipment	31,254	31,051
Plumbing	25,972	22,323
Toilet hire	16,608	18,896
Buildings and facilities	152,100	100,623
Roads	218,915	200,030
Aviation maintenance	69,239	52,141
Clubhouse equipment maintenance	-	34,564
Cleaning materials	79,713	69,260
Tool hire	16,602	-
Signage	1,021	1,532
Generator fuel and repairs	181,949	91,101
Internal dams	35,947	80,440
Shoreline cleaning	100,896	70,662
Tools	3,769	11,567
Compost site	8,875	-
	1,005,398	850,155
20. Security		
Security guarding service	3,111,067	3,085,839
Access cards	8,176	6,244
Access control	298,773	265,680
Motor vehicle - fuel and oil	23,365	34,687
Security maintenance	279,069	114,920
Service level agreement	206,138	197,892
	3,926,588	3,705,263

21. Comparative figures

Certain comparative figures have been reclassified. This reclassification has no effect on the profit or loss.

22. Comparative figures

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

23. Reserve fund levy		
Opening balance of reserve fund	5,531,144	3,332,539
Reserve levies billed	621,000	628,500
Transfer of reserves	-	1,538,865
Balance reserve fund levy	6,152,144	5,499,904
Reserve penalties		
Speeding penalties billed	146,875	160,500
Speed cameras	-	(129,260)
Balance reserve fund levy	146,875	31,240
Total reserves	**6,299,019**	**5,531,144**

The Coves Governing Body NPC

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Detailed Income Statement

Figures in R	Notes	2022	2021
Revenue			
Levies		15,241,824	14,832,600
Other income	10		
Farming proceeds		107,516	173,595
Other income	15	450,621	451,133
Water levies		2,185,224	2,132,577
		2,743,361	**2,757,305**
Administrative expenses			
Accounting fees		(354,140)	(334,096)
Auditors remuneration - fees		(48,215)	(45,000)
Bank charges		(33,440)	(31,107)
Communication and marketing		(242,810)	(130,359)
Secretarial fees		(4,611)	(3,663)
Subscriptions		(11,385)	(13,093)
		(694,601)	**(557,318)**
Other expenses			
Aesthetic fees		(24,125)	(7,837)
Community support		(8,170)	(10,656)
Consulting fees		(110,009)	(116,493)
Depreciation - property, plant and equipment	16	(1,767,798)	(1,602,148)
Employee costs		(4,594,627)	(4,501,915)
Equipment rental		(33,755)	(36,568)
Estate repairs and maintenance	19	(1,024,947)	(850,155)
Farming expenses	17	(84,190)	(67,466)
Functions and communication		(29,985)	(20,740)
Health and safety		(98,586)	-
Insurance		(513,929)	(505,746)
Landscaping, gardening, pool , fertilizer and environmental		(310,941)	(295,333)
Legal expense		(327,103)	(130,652)
Meeting expenses		(26,109)	-
Motor vehicle expense		(412,829)	(323,736)
Office consumables		(33,339)	(37,091)
Operational projects		(443,597)	(415,935)
Printing and stationery		(22,398)	(25,417)
Property expense services	18	(1,401,808)	(1,320,571)
SARS - Fines and penalties		(37,104)	-
Security	20	(3,926,588)	(3,705,262)
Technology and equipment		(73,519)	(42,151)
Water and sewerage expenses	13	(1,993,642)	(1,630,408)
		(17,299,098)	**(15,646,280)**
Other gains and losses	11		
Scrapping of assets		(39,309)	(7,134)
(Deficit) / surplus from operating activities		**(47,823)**	**1,379,173**

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Detailed Income Statement

Figures in R	Notes	2022	2021
Finance income	12		
Banks		406,872	297,136
Members		185,890	186,132
		592,762	**483,268**
Surplus before tax		**544,939**	**1,862,441**
Income tax			
Current tax		(293,813)	(290,786)
Surplus for the year		**251,126**	**1,571,655**

The supplementary information presented does not form part of the annual financial statements and is unaudited

The Coves Governing Body NPC

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Income Tax Computation

Figures in R		2022	2021
Surplus before tax		544,939	1,862,441
Micro Business, Body Corporate and Share Block Companies tax adjustments			
Debit Adjustments (decrease net profit / increase net loss) (insert as negative)			
Exempt income		(18,059,473)	(15,469,900)
Levy exemption in terms of s10(1)(e)(i) (refer to guide)		(50,000)	(50,000)
Credit Adjustments (increase net profit / decrease net loss) (insert as positive)			
Expenses attributable to exempt income and not actually incurred in production of income		18,613,865	14,695,982
		504,392	(823,918)
Taxable income		**1,049,331**	**1,038,523**
Normal tax		**293,813**	**290,786**
Less : Assessed tax payments / refunds		(412,279)	(515,730)
Provisional tax	- 1st payment	(111,317)	-
	- 2nd payment	(179,469)	-
Penalties		37,104	-
(Debit) / Credit balance brought forward		290,785	515,729
Total per statement of financial position - (Asset) / Liability		**(81,363)**	**290,785**