The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements
for the year ended 30 June 2023

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)

GKL OUDITEURE / AUDITORS
Geregistreerde Ouditeure GR (SA)
Registered Auditors CA (SA)
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GKL

OUDITEURE / AUDITORS
(Sedert / Since 1949)
Practice number 902411

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements for the year ended 30 June 2023

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The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Annual Financial Statements for the year ended 30 June 2023

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2003/010909/08
Nature of Business and Principal Activities	The Non-Profit Company objective is to co-ordinate the communal interest of its members and the managerial functions and activities of the Company.
Directors	G W Stoger (Chairperson) N Golele-Tshabalala (Vice-Chairperson) D E Bruwer Z W Mostert M H Fikkert (Appointed 5 November 2022) M H Anderson (Appointed 5 November 2022) P R Engelbrecht (Appointed 5 November 2022) T Mann Whittaker (Appointed 5 November 2022) N Le Roux (Appointed 5 November 2022) (Resigned 20 February 2023) S J Schoeman (Appointed 5 November 2022) (Resigned 1 September 2023) T Gumede (Resigned 31 July 2023) J P Fourie (Resigned 5 November 2022) A D McGregor (Resigned 5 November 2022) J Moodie (Resigned 5 November 2022) C L van Niekerk (Resigned 5 November 2022)
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
Preparer	C Barnard Du Preez Accountants PO Box 298 Hartbeespoort 0216

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 annual 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 19, and the supplementary information set out on pages 20 to 22 which have been prepared on the going concern basis, were approved by the directors and were signed on 11 October 2023 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 2023

Directors' Report

The directors present their report for the year ended 30 June 2023.

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:
G W Stoger (Chairperson)
N Golele-Tshabalala (Vice-Chairperson)
D E Bruwer
Z W Mostert
M H Fikkert (Appointed 5 November 2022)
M H Anderson (Appointed 5 November 2022)
P R Engelbrecht (Appointed 5 November 2022)
T Mann Whittaker (Appointed 5 November 2022)
N Le Roux (Appointed 5 November 2022) (Resigned 20 February 2023)
S J Schoeman (Appointed 5 November 2022) (Resigned 1 September 2023)
T Gumede (Resigned 31 July 2023)
J P Fourie (Resigned 5 November 2022)
A D McGregor (Resigned 5 November 2022)
J Moodie (Resigned 5 November 2022)
C L van Niekerk (Resigned 5 November 2022)

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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Geregistreerde Oudlteure 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 Member 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 19, which comprise the statement of financial position as at 30 June 2023, 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 2023, 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Coves Governing Body NPC Financial Statements for the year ended 30 June 2023", which includes the Directors' Report, and the statement of Directors' Responsibilities and Approval as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report, and the supplementary information set out on pages 20 to 22. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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.

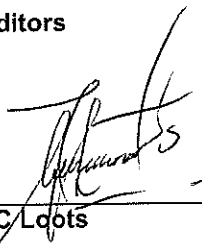
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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

12 October 2023



Per: GFC Loots
Partner
Registered Auditor

97 Ludorf Street
Brits
0250

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	3	8,815,527	7,413,590
Current assets			
Inventories	4	63,913	44,522
Trade and other receivables	5	1,133,537	1,161,817
Current tax assets	6	-	81,363
Cash and cash equivalents	7	11,192,915	12,138,924
Total current assets		**12,390,365**	**13,426,626**
Total assets		**21,205,892**	**20,840,216**
Equity and liabilities			
Equity			
Accumulated surplus		10,180,700	11,099,254
Reserve funds		7,591,734	6,299,019
Total equity		**17,772,434**	**17,398,273**
Liabilities			
Current liabilities			
Trade and other payables	8	3,424,714	3,441,943
Current tax liabilities	6	8,744	-
Total current liabilities		**3,433,458**	**3,441,943**
Total equity and liabilities		**21,205,892**	**20,840,216**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2023

Statement of Comprehensive Income

Figures in R	Notes	2023	2022
Levies		16,483,296	15,241,824
Other income		3,285,090	2,743,361
Administrative expenses		(811,081)	(694,601)
Operating expenses		(19,958,726)	(17,299,098)
Other gains and (losses)	10	-	(39,309)
Deficit from operating activities		**(1,001,421)**	**(47,823)**
Interest received	11	830,419	592,762
(Deficit) / surplus before tax		**(171,002)**	**544,939**
Income tax expense		(386,522)	(293,813)
(Deficit) / surplus for the year		**(557,524)**	**251,126**
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 penalties		1,292,715	767,875
Total other comprehensive income		**1,292,715**	**767,875**
Total other comprehensive income net of tax		**1,292,715**	**767,875**
Total comprehensive income		**735,191**	**1,019,001**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2023

Statement of Changes in Equity

Figures in R	Consolidate Reserve fund	Accumulated surplus	Total
Balance at 1 July 2021	5,531,144	10,848,128	16,379,272
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**	**11,099,254**	**17,398,273**
Balance at 1 July 2022	6,299,019	11,099,254	17,398,273
Changes in equity			
Deficit for the year	-	(557,524)	(557,524)
Other comprehensive income	1,292,715	-	1,292,715
Total comprehensive income for the year	1,292,715	(557,524)	735,191
Prior year correction - SARS (Note 9)	-	(361,030)	(361,030)
Balance at 30 June 2023	**7,591,734**	**10,180,700**	**17,772,434**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2023

Statement of Cash Flows

Figures in R	Notes	2023	2022
Net cash flows from operations	13	**1,403,190**	**1,474,050**
Interest received		830,419	592,762
Income taxes paid		(296,415)	(703,065)
Net cash flows from operating activities		**1,937,194**	**1,363,747**
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		-	(12,904)
Purchase of property, plant and equipment		(3,807,393)	(2,915,393)
Cash flows used in investing activities		**(3,807,393)**	**(2,928,297)**
Cash flows from financing activities			
Other inflows (outflows) of cash		924,190	767,881
Cash flows from financing activities		**924,190**	**767,881**
Net decrease in cash and cash equivalents		**(946,009)**	**(796,669)**
Cash and cash equivalents at beginning of the year		12,138,924	12,935,593
Cash and cash equivalents at end of the year	7	**11,192,915**	**12,138,924**

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
Financial Statements for the year ended 30 June 2023

Accounting Policies

1. General information

The Coves Governing Body NPC (the Non-Profit Company) 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 .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 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%

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. 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.

Accounting Policies

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

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 solution	Hyacinth project	Total
Reconciliation for the year ended 30 June 2023															
Balance at 1 July 2022															
At cost	706,210	2,497,453	128,032	1,887,958	802,164	695,823	73,613	286,098	7,754,259	2,178,874	507,775	127,677	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)	(4,484,967)	(1,461,655)	(74,913)	(117,561)	(932)	(54,376)	(10,529,204)
Carrying amount	577,274	834,706	52,053	488,413	384,358	267,097	5,980	132,670	3,269,292	717,219	432,862	10,116	54,958	186,592	7,413,590
Movements for the year ended 30 June 2023															
Additions from acquisitions	515,475	-	237,042	29,000	-	-	-	-	2,510,698	515,178	-	-	-	-	3,807,393
Depreciation	(42,155)	(156,295)	(51,355)	(194,114)	(145,766)	(47,457)	(2,152)	(45,002)	(1,038,960)	(536,276)	(101,555)	(9,094)	(11,178)	(24,097)	(2,405,456)
Increase (decrease) through other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment at the end of the year	1,050,594	678,411	237,740	323,299	238,592	219,640	3,828	87,668	4,741,030	696,121	331,307	1,022	43,780	162,495	8,815,527
Closing balance at 30 June 2023															
At cost	1,221,685	2,497,453	365,074	1,916,958	802,164	695,823	73,613	286,098	10,264,957	2,694,052	507,775	127,677	55,890	240,968	21,750,187
Accumulated depreciation	(171,091)	(1,819,042)	(127,334)	(1,593,659)	(563,572)	(476,183)	(69,785)	(198,430)	(5,523,927)	(1,997,931)	(176,468)	(126,655)	(12,110)	(78,473)	(12,934,660)
Carrying amount	1,050,594	678,411	237,740	323,299	238,592	219,640	3,828	87,668	4,741,030	696,121	331,307	1,022	43,780	162,495	8,815,527
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	5,961,072	2,033,908	-	127,677	-	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)	(3,935,159)	(968,812)	-	(103,616)	-	(30,279)	(8,793,562)
Carrying amount	553,940	1,016,184	74,592	539,400	446,861	304,265	9,410	21,993	2,025,913	1,065,096	-	24,061	-	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)	(549,807)	(492,843)	(74,913)	(13,946)	(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	3,269,293	717,219	432,862	10,115	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	7,754,259	2,178,874	507,775	127,677	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)	(4,484,967)	(1,461,655)	(74,913)	(117,561)	(932)	(54,376)	(10,529,204)
Carrying amount	577,274	834,706	52,053	488,413	384,358	267,097	5,980	132,670	3,269,292	717,219	432,862	10,116	54,958	186,592	7,413,590

Notes to the Financial Statements

Figures in R	2023	2022

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	63,913	44,522

5. Trade and other receivables

Trade and other receivables comprise:

Outstanding levies	2,539,706	1,997,434
Madibeng rates and taxes	48,389	48,404
Levies billed in advance	(1,704,955)	(1,476,784)
Water levies receivable	149,828	157,149
Other receivables	100,569	74,584
VAT receivable	-	361,030
	1,133,537	1,161,817

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	(8,744)	-
Total current tax liability per the statement of financial position	**(8,744)**	**-**

Notes to the Financial Statements

Figures in R	2023	2022

7. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash		
Cash on hand	4,383	760
Standard Bank Cheque account	625,542	964,186
Standard Bank Building Deposits	978,614	1,164,776
Standard Bank Call Deposit	9,241,274	9,687,285
Money Market Account	343,102	321,917
	11,192,915	**12,138,924**

8. Trade and other payables

Trade and other payables comprise:

Accruals	1,013,764	905,879
Rental deposits	6,042	6,042
Aero club	22,836	146,369
Resale clearance balance	69,560	80,188
Social club	-	21,079
Cycle club	-	8,476
Conservation fund	-	5,792
Provisions	531,366	428,968
Municipal service	578,772	275,772
Audit fees	43,811	44,205
Building deposits	970,495	1,160,776
Prepaid levies	188,068	350,902
Covid-19 support fund	-	7,495
Total trade and other payables	**3,424,714**	**3,441,943**

9. Prior year correction - VAT

The correction was done as part of the VAT provision raised in prior years.
The Company has not received any outcome on the case as to date.
The decision was made to write back the provision. Should the amount be recovered it will be reflected as income in subsequent years.

10. Other gains and (losses)

Other gains and (losses) comprise:

Scrapping of assets	-	(39,309)

Notes to the Financial Statements

Figures in R	2023	2022
11. Finance income		
Interest received:		
Banks	625,175	406,872
Members	205,244	185,890
Total finance income	**830,419**	**592,762**
12. Water and Sewerage expenses		
Water and Sewerage expenses comprise:		
Electricity	753,433	846,456
Generator fuel and repairs	437,481	-
SLA water and sewerage	594,780	594,780
Accounting fees - Water readings	64,282	61,220
Sewerage maintenance and chemicals	225,387	160,665
Water and sewerage reticulation	336,918	330,521
Total municipal charges	**2,412,281**	**1,993,642**
13. Cash flows from operating activities		
(Deficit) / surplus for the year	**(557,524)**	**251,126**
Adjustments for:		
Income tax expense	386,522	293,813
Finance income	(830,419)	(592,762)
Depreciation and amortisation expense	2,405,456	1,767,798
Gains and losses on disposal of non-current assets	-	39,309
Income tax penalties paid	-	**37,104**
Change in operating assets and liabilities:		
Adjustments for (increase) / decrease in inventories	(19,391)	22,230
Adjustments for increase in trade accounts receivable	(542,272)	(123,971)
Adjustments for decrease in other operating receivables	570,552	102,570
Adjustments for increase / (decrease) in trade accounts payable	107,885	(367,886)
Adjustments for (decrease) / increase in other operating payables	(117,619)	44,719
Net cash flows from operations	**1,403,190**	**1,474,050**

Notes to the Financial Statements

Figures in R	2023	2022
14. Other income		
Agent registration fees	22,000	11,000
Boat registration fees	-	500
Canoe racks	17,280	12,324
Clearance certificate fees	33,804	27,730
Fines	91,500	52,000
Non-completion building levy	55,000	2,000
Sundry income	32,681	15,555
Rental and utilities income	321,792	298,683
Unclaimed prior year receipts	50,170	30,829
	624,227	**450,621**
15.Depreciation		
Buildings and improvements	42,155	32,941
Water reservoir and purification	156,295	155,073
Borehole and pivot pumps	51,355	22,538
Motor vehicles and tractors	194,114	191,286
Generator, electric cables and voltage regulation	145,766	136,516
Garden equipment , furniture and fittings	47,457	51,016
Office equipment	2,152	3,429
Computer equipment	45,002	18,463
Security equipment and upgrades	1,038,960	541,241
Sewerage plant and upgrades	536,276	492,843
Waterfront upgrades	101,555	74,913
Other fixed assets	9,094	22,510
Energy solutions	11,178	932
Hyacinth project	24,097	24,097
	2,405,456	**1,767,798**

Notes to the Financial Statements

Figures in R	2023	2022
16. Farming expenses		
Repairs & Maintenance	26,008	-
Electricity	19,218	37,997
Generator fuel and repairs	10,852	-
Labour	19,310	17,739
Department of Water and Sanitation	29,050	27,612
	104,437	**83,347**
17. Property expense services		
Department of Water and Sanitation	182,430	10,992
Electricity	911,034	846,457
Rates Madibeng Local Council	59,281	59,750
Recycling costs	86,684	86,580
Refuse Madibeng Local Council	303,000	312,042
Waste disposal and pest control	85,764	75,317
Mini subs services and electrical reticulation	-	10,670
	1,628,193	**1,401,808**
18. Estate repairs and maintenance		
Electrical	114,880	62,537
Fire equipment	33,876	31,254
Plumbing	17,739	25,972
Toilet hire	33,130	16,608
Buildings and facilities	164,222	152,100
Roads	240,630	218,915
Aviation maintenance	25,447	88,788
Cleaning materials	51,856	79,713
Tool hire	8,613	16,602
Signage	8,530	1,021
Generator fuel and repairs	529,300	181,949
Internal dams	43,166	35,947
Shoreline cleaning	20,628	100,896
Tools	2,742	3,769
Compost site	1,420	8,875
	1,296,179	**1,024,947**
19. Security		
Security guarding service	3,728,000	3,111,067
Access screening	26,158	8,176
Access control cost	438,900	298,773
Motor vehicle - fuel and oil	56,765	23,365
Security maintenance	129,006	279,069
Service level agreement - Cameras	220,945	206,138
	4,599,774	**3,926,588**

Notes to the Financial Statements

Figures in R		2023	2022
20. Reserve fund levy			
Opening balance		6,152,144	5,531,144
Reserve levies billed		618,000	621,000
Balance reserve fund levy		**6,770,144**	**6,152,144**
Reserve penalties			
Opening balance		146,875	-
Speeding penalties billed		285,375	146,875
Balance reserve fund levy		**432,250**	**146,875**
Reserve fund levy clubhouse precinct essential maintenance			
Opening balance		-	-
Reserved levies billed		389,340	-
		-	-
Balance reserve fund levy		**389,340**	**-**
Total reserves		**7,591,734**	**6,299,019**
21. Generator cost analysis			
Water and Sewerage expenses	Note 12	437,481	
Farming expenses	Note 16	10,852	
Communal property	Note 18	529,300	181,949
		977,633	**181,949**

22. Long term commitments

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

The Coves Governing Body NPC

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Detailed Income Statement

Figures in R	Notes	2023	2022
Revenue			
Levies		16,483,296	15,241,824
Other income			
Farming proceeds		115,000	107,516
Other income	14	624,228	450,621
Water levies		2,545,862	2,185,224
		3,285,090	**2,743,361**
Administrative expenses			
Accounting fees		(371,845)	(354,140)
Auditors remuneration - fees		(51,314)	(48,215)
Bank charges		(31,536)	(33,440)
Communication and marketing		(337,612)	(242,810)
Secretarial fees		(7,389)	(4,611)
Subscriptions		(11,385)	(11,385)
		(811,081)	**(694,601)**
Other expenses			
Aesthetic fees		(73,055)	(24,125)
Community support		(5,121)	(8,170)
Consulting fees		(100,480)	(110,009)
Depreciation - property, plant and equipment	15	(2,405,456)	(1,767,798)
Employee costs		(4,719,440)	(4,594,627)
Equipment rental		(33,767)	(33,755)
Estate repairs and maintenance	18	(1,296,179)	(1,024,947)
Farming expenses	16	(104,437)	(84,190)
Functions		(56,038)	(29,985)
Health and safety		(63,673)	(98,586)
Insurance		(617,770)	(513,929)
Landscaping, gardening, pools , fertilizer and environmental		(285,931)	(310,941)
Legal fees		(116,470)	(327,103)
Meeting expenses		(29,165)	(26,109)
Motor vehicle expense		(444,817)	(412,829)
Office consumables		(26,775)	(33,339)
Operational projects		(798,813)	(443,597)
Printing and stationery		(40,469)	(22,398)
Property expense services	17	(1,628,130)	(1,401,808)
SARS - Fines and penalties		-	(37,104)
Security	19	(4,599,774)	(3,926,588)
Tax return fees		(1,380)	-
Technology and equipment		(99,305)	(73,519)
Water and sewerage expenses	12	(2,412,281)	(1,993,642)
		(19,958,726)	**(17,299,098)**
Other gains and losses	10		
Scrapping of assets		-	(39,309)
Deficit from operating activities		**(1,001,421)**	**(47,823)**

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

The Coves Governing Body NPC

(Registration Number 2003/010909/08)
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Detailed Income Statement

Figures in R	Notes	2023	2022
Finance income	11		
Banks		625,175	406,872
Members		205,244	185,890
		830,419	**592,762**
(Deficit) / surplus before tax		**(171,002)**	**544,939**
Income tax			
Current tax		(386,522)	(293,813)
(Deficit) / surplus for the year		**(557,524)**	**251,126**

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The Coves Governing Body NPC

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Annual Financial Statements for the year ended 30 June 2023

Income Tax Computation

Figures in R		Notes	2023	2022
(Deficit) / surplus before tax			(171,002)	544,939
Small Business and Medium to Large Business tax adjustments				
Debit Adjustments (decrease net profit / increase net loss)				
Exempt income			(20,015,245)	(18,059,473)
Levy exemption in terms of s10(1)(e)(i)			(50,000)	(50,000)
Credit Adjustments (increase net profit / decrease net loss)				
Expenses attributable to exempt income and not actually incurred in production of income			21,721,610	18,613,865
			1,656,365	504,392
Taxable income			**1,485,363**	**1,049,331**
Normal tax			**401,048**	**293,813**
Under/(over) provision in previous year			(14,526)	-
Total per statement of comprehensive income			**386,522**	**293,813**
Less : Assessed tax payments / refunds			-	(412,279)
Provisional tax	- 1st payment		(175,858)	(111,317)
	- 2nd payment		(120,557)	(179,469)
Penalties			-	37,104
(Debit) / Credit balance brought forward			(81,363)	290,785
Total per statement of financial position - (Asset) / Liability			**8,744**	**(81,363)**

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