

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

Trading as
Blue Mountain Village Master Property Owners Association
(Registration Number 2006/027010/08)

Financial Statements
for the year ended 28 February 2023

Date published: 12 April 2023

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

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BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Property owners association
Directors	Mr F Manuel Mrs C Fourie Mr K Harmse Mr JL van der Westhuizen Mr FPL Wepener
Registered Office	Blue Mountain Office Park 149 Park Road Blue Mountain View George 6529
Business Address	Blue Mountain Office Park 149 Park Road Blue Mountain View George 6529
Postal Address	PO Box 13284 Garden Route Mall George 6546
Bankers	ABSA Bank Ltd
Auditors	LIGHTVISION Audit Incorporated Chartered Accountants (SA) Registered Auditors
Taxation Reference Number	9084/3791/64
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of South Africa, 2008.
Preparer	The financial statements were independently compiled by: Mr A Le Grange, AGA(SA) Director: LUMENROCK Garden Route (Pty) Ltd
Published	12 April 2023

Independent Auditor's Report

To the members of Blue Mountain Village Home Owners Association (RF) NPC

Opinion

We have audited the financial statements of Blue Mountain Village Home Owners Association (RF) NPC set out on pages 9 to 20, which comprise the statement of financial position as at 28 February 2023, 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 Blue Mountain Village Home Owners Association (RF) NPC as at 28 February 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 of South Africa.

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 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 directors' report as required by the Companies Act of South Africa, and the supplementary information set out on pages 21 to 23.

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 of South Africa, 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.

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LIGHTVISION AUDIT INC | Reg no: 2009/000419/21 | IRBA reg no: 903581-0000

M Botes, CA(SA) RA | Prof JS Gericke, CA(SA) RA Mcom (Tax)

113 Merriman Street | George | 6529 | PO Box 10485 | George | 6530 | South Africa

In preparing the financial statements, the directors are responsible for assessing the 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 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 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 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 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.

LIGHTVISION Audit Incorporated
Chartered Accountants (SA)
Registered Auditors

Mrs M Botes, CA(SA) RA

12 April 2023

113 Merriman Street
George
6529

Report of the Compiler

To the members of Blue Mountain Village Home Owners Association (RF) NPC

We have compiled the accompanying financial statements of Blue Mountain Village Home Owners Association (RF) NPC based on information you have provided. These financial statements comprise the statement of financial position of Blue Mountain Village Home Owners Association (RF) NPC as at 28 February 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

LUMENROCK Garden Route (Pty) Ltd
Chartered Accountants (SA)
Registered Tax Practitioners

Mr A Le Grange, AGA(SA)

12 April 2023

113 Merriman Street
George
6529

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LUMENROCK GARDEN ROUTE (Pty) Ltd Reg Nr: 2015/235242/07
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DIRECTORS: SIW van der Merwe [AGA B Compt] PW Esterhuizen [CA(SA) TEP RA] L Swart [B Econ CFP]
A le Grange [AGA B Compt] H Lourens [AGA B Comm]

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Directors' Responsibilities and Approval

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The financial statements are based upon appropriate accounting policies consistently applied throughout the 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the 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 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 company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

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

The financial statements as set out on pages 9 to 20 were approved by the board on 12 April 2023 and were signed by:

Mr F Manuel

Mrs C Fourie

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Directors' Report

The directors present their report for the year ended 28 February 2023.

1. Review of activities

Main business and operations

The company is an incorporated property owners association and also serves as the controlling association for the neighbouring Blue Mountain entities, namely:

- Blue Mountain Village Home Owners Association (RF) NPC
- Blue Mountain Carenet Retirement Estate Property Owners Association (RF) NPC
- Blue Mountain Haven and Gables Trust
- Blue Mountain Gardens Home Owners Association (RF) NPC

Each of these independent entities have their own constitution, rules, elected committees, budgets and financial statements where applicable. However, there are provisions in the Memorandum of Incorporation of Blue Mountain Village Home Owners Association (RF) NPC under which all of them have representation in the Master Property Home Owners Association for the management of matters of common interest, such as shared services such as security, access gates and roads.

Blue Mountain Carenet Retirement Estate Property Owners Association (RF) NPC, Blue Mountain Haven and Gables Trust are separate entities with their own financial records. The levies received from these entities are recoveries of shared costs incurred by Blue Mountain Village Home Owners Association (RF) NPC.

Blue Mountain Gardens Home Owners Association (RF) NPC is an incorporated property owners association. For budgeting and financial reporting purposes, Blue Mountain Village Home Owners Association (RF) NPC and Blue Mountain Gardens Home Owners Association (RF) NPC are combined, as reflected in the financial statements presented below.

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

2. Going concern

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

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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Financial Statements for the year ended 28 February 2023

Directors' Report

3. Events after reporting date

A change in the income taxation rate from 28% to 27% was substantively enacted on 23 February 2022, effective for taxable income arising in years of assessment ending on or after 31 March 2023. There were no effect of the change in the income taxation rate for the current financial year.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Mr F Manuel	
Mrs C Fourie	
Mr K Harmse	
Ms GG Halse	Resigned 22 April 2022
Mr S Saunders	Resigned 3 April 2022
Mr CJT Roodt	Resigned 3 April 2022
Mr JL van der Westhuizen	Appointed 2 August 2022
Mr FPL Wepener	Appointed 2 August 2022

5. Independent Auditors

LIGHTVISION Audit Incorporated were the independent auditors for the year.

6. Compilers

LUMENROCK Garden Route (Pty) Ltd were the compilers for the year.

7. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of South Africa, 2008.

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,844,006	2,115,610
Current Assets			
Inventories	3	2,403	4,752
Trade and other receivables	4	445,830	893,092
Cash and cash equivalents	5	6,922,516	5,116,044
		7,370,749	6,013,888
Total Assets		9,214,755	8,129,498
Equity and Liabilities			
Equity			
Reserve fund: Entrance levies	6	5,532,115	4,348,309
Accumulated surplus		2,293,804	1,930,081
		7,825,919	6,278,390
Current Liabilities			
Trade and other payables	7	1,381,778	1,847,767
Current taxation liability		7,058	3,341
		1,388,836	1,851,108
Total Equity and Liabilities		9,214,755	8,129,498

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Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in R	Notes	2023	2022
Levies received	8	9,881,253	9,294,665
Other income	9	339,523	459,689
Operating costs		(8,888,565)	(9,047,709)
Operating surplus		1,332,211	706,645
Investment income	10	354,802	230,422
Finance costs	11	(23)	-
Surplus before taxation	12	1,686,990	937,067
Taxation	13	(139,461)	(132,803)
Surplus for the year		1,547,529	804,264

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Statement of Changes in Equity

Figures in R	Reserve fund:		
	Entrance levies	Accumulated surplus	Total
Balance at 1 March 2021	2,833,806	2,640,320	5,474,126
Surplus for the year	-	804,264	804,264
Transfer to reserve fund	816,637	(816,637)	-
Entrance levies: Contributions to reserve fund	1,164,336	(1,164,336)	-
Interest earned on bank accounts	170,195	(170,195)	-
Expenses paid out of reserve fund	(636,665)	636,665	-
Balance at 28 February 2022	4,348,309	1,930,081	6,278,390
Balance at 1 March 2022	4,348,309	1,930,081	6,278,390
Surplus for the year	-	1,547,529	1,547,529
Entrance levies: Contributions to reserve fund	891,432	(891,432)	-
Interest earned on bank accounts	292,534	(292,534)	-
Expenses paid out of reserve fund	(160)	160	-
Balance at 28 February 2023	5,532,115	2,293,804	7,825,919
Note	6		

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in R	Notes	2023	2022
Cash flows from operating activities			
Surplus/(loss) for the year		1,547,529	804,264
<i>Adjustments for:</i>			
Finance costs	11	23	-
Taxation	13	139,461	132,803
Depreciation: Property, plant and equipment	2	322,149	272,927
Investment income	10	(354,802)	(230,422)
Loss on disposal of property, plant and equipment	2	15,478	87,337
Operating cash flow before working capital changes		1,669,838	1,066,909
<i>Working capital changes</i>			
Decrease in inventories	3	2,349	1,656
Decrease/(increase) in trade and other receivables	4	447,262	(272,902)
(Decrease)/increase in trade and other payables	7	(465,989)	809,140
Cash generated by operating activities		1,653,460	1,604,803
Investment income	10	354,802	230,422
Finance costs	11	(23)	-
Taxation paid		(135,744)	(43,362)
Net cash from operating activities		1,872,495	1,791,863
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(84,225)	(811,713)
Proceeds on disposals of property, plant and equipment	2	18,202	-
Net cash utilised in investing activities		(66,023)	(811,713)
Increase in cash and cash equivalents during the year		1,806,472	980,150
Cash and cash equivalents at beginning of the year	5	5,116,044	4,135,894
Cash and cash equivalents at end of the year	5	6,922,516	5,116,044

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Accounting Policies

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

1.1 Revenue

Levies and recoveries are recognised as revenue once owners are invoiced. Ordinary levies are invoiced monthly, based on the proportional amount as per the approved budget. Other recoveries are recognised as and when due by the owners and are disclosed with the expenses to which they relate. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration receivable is the present value of all future receipts using the imputed rate of interest.

Levies have been accounted for on the accrual basis and therefore includes outstanding amounts owing by the owners.

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

1.2 Taxation

Provisions for tax are made at the corporate rate on net investment income earned by the home owners association's, less allowable expenses applicable to home owners association. The home owners association is taxed in terms of Section 10(1)(e) of the Income Tax Act and Interpretation Note 64.

1.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Computer equipment	3 years, 10% residual
Fire equipment	8 years, 20% residual
Furniture and fittings	12 years, 20% residual
Garden equipment	8 years, 20% residual
Golf cart	5 years, 20% residual
Motor vehicles	10 years, 40% residual
Security equipment	8 years, 20% residual

The residual value, depreciation method and useful life of each asset are reviewed at each reporting period if there are indicators present that there has been significant change from the previous estimates.

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Accounting Policies

1.4 Leases

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the company. All other leases are classified as operating leases.

1.5 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

1.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

1.7 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs.

1.8 Employee benefit obligations

1.8.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest rate method and is included in finance costs.

1.11 Reserve funds

Reserve funds are established and separately held for particular purposes identified by the home owner's association. Contributions and expenditure for these purposes are maintained and funded from these reserves.

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R

2023

2022

2. Property, plant and equipment

	Cost	Accumulated depreciation	2023 Carrying value	Cost	Accumulated depreciation	2022 Carrying value
Computer equipment	81,347	(65,972)	15,375	80,917	(56,475)	24,442
Fire equipment	74,684	(38,207)	36,477	65,073	(30,202)	34,871
Furniture and fittings	126,835	(75,991)	50,844	126,535	(65,850)	60,685
Garden equipment	102,397	(41,556)	60,841	99,528	(31,340)	68,188
Golf cart	69,284	(44,342)	24,942	114,709	(59,300)	55,409
Motor vehicles	451,873	(186,862)	265,011	451,873	(168,940)	282,933
Security equipment	2,423,578	(1,033,062)	1,390,516	2,383,188	(794,106)	1,589,082
	<u>3,329,998</u>	<u>(1,485,992)</u>	<u>1,844,006</u>	<u>3,321,823</u>	<u>(1,206,213)</u>	<u>2,115,610</u>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2023 Carrying value at end of year
Computer equipment	24,442	430	-	(9,497)	15,375
Fire equipment	34,871	9,611	-	(8,005)	36,477
Furniture and fittings	60,685	300	-	(10,141)	50,844
Garden equipment	68,188	2,869	-	(10,216)	60,841
Golf cart	55,409	-	(16,959)	(13,508)	24,942
Motor vehicles	282,933	-	-	(17,922)	265,011
Security equipment	1,589,082	71,015	(16,720)	(252,861)	1,390,516
	<u>2,115,610</u>	<u>84,225</u>	<u>(33,679)</u>	<u>(322,150)</u>	<u>1,844,006</u>

3. Inventories

Wheelie bins	2,403	4,752
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4. Trade and other receivables

Levies receivable	440,980	745,051
Deposits	4,850	4,850
Prepayments	-	19,124
Recoverable legal fees	-	124,067
	<u>445,830</u>	<u>893,092</u>

It is the association's policy to not provide for bad debts on levies receivable, as the association has a right to refuse transfer of fixed property until all outstanding levies have been paid.

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R	2023	2022
5. Cash and cash equivalents		
Favourable cash balances		
Short-term deposits	1,238,441	550,466
Cash on hand	20,399	28,435
Bank balances	131,561	189,315
Investment account - Reserve Fund	660,865	535,113
Fixed deposits - Reserve Fund	4,871,250	3,812,715
	<u>6,922,516</u>	<u>5,116,044</u>
6. Reserve fund: Entrance levies		
Balance at the beginning of the year	4,348,309	2,833,806
Transfer to reserve fund	-	816,637
Entrance levies: Contributions to reserve fund	891,432	1,164,336
Interest earned on bank accounts	292,534	170,195
Expenses paid out of reserve fund	(160)	(636,665)
Balance at the end of the year	<u>5,532,115</u>	<u>4,348,309</u>
Fixed deposits - Reserve Fund	4,871,250	3,812,715
Investment account - Reserve Fund	660,865	535,113
Bank balance at the end of the year	<u>5,532,115</u>	<u>4,347,828</u>
Expenses paid out of reserve fund		
Camera upgrade	-	636,586
Bank charges	160	80
	<u>160</u>	<u>636,665</u>
7. Trade and other payables		
Accrued audit and accounting fees	50,957	41,960
Building deposits held	718,704	969,000
CSOS	11,712	9,760
Levies received in advance	496,715	442,196
Accrued expenses	103,690	384,851
	<u>1,381,778</u>	<u>1,847,767</u>

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R

2023

2022

8. Levies received

An analysis of revenue is as follows:

Levies received:

Blue Mountain Village	5,245,350	4,896,000
Blue Mountain Gardens	239,972	251,990
Blue Mountain Gardens - Lifestyle Estate	1,643,040	1,419,407
Building	148,500	313,500
Building management	326,875	282,163
Building penalties	331,168	-
Developer	52,898	66,489
Entrance (General Reserve Fund)	891,432	1,164,336
	<u>8,879,235</u>	<u>8,393,885</u>

Levies received for recovery of expenses:

Blue Mountain Carenet Retirement Estate P.O.A.	544,447	513,180
Blue Mountain Haven	255,460	239,400
Gables Trust	202,111	148,200
	<u>1,002,018</u>	<u>900,780</u>

Total levies received:

	<u>9,881,253</u>	<u>9,294,665</u>
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9. Other Income

Insurance claims received	6,204	36,735
Profit from scrutiny fees	58,718	132,788
Profit from tags and penalties	167,014	159,372
Profit on sale of springbuck	3,806	8,000
Profit on sale of wheelie bins	1,731	1,644
Resales	102,050	121,150
	<u>339,523</u>	<u>459,689</u>

10. Investment income

Interest income

Bank	346,962	209,545
Interest charged to members	7,840	20,877
	<u>354,802</u>	<u>230,422</u>

11. Finance costs

SARS	<u>23</u>	<u>-</u>
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BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R 2023 2022

12. Surplus before taxation

Surplus before taxation is after debiting of inter alia the following:

Auditor's remuneration - services as auditors	48,248	41,285
Employee cost	1,465,037	1,381,566
Insurance	205,781	163,785
Repairs and maintenance	443,033	703,543
Telephone costs	25,076	19,008
Utilities	301,341	322,722
	<u>301,341</u>	<u>322,722</u>

13. Taxation

South Africa normal taxation		
Current taxation - current period	139,461	132,425
Current taxation - adjustment to prior period	-	378
Taxation for the year	<u>139,461</u>	<u>132,803</u>

Reconciliation of rate of taxation	2023 %	2023 R	2022 %	2022 R
Surplus/(loss) before taxation		<u>1,686,990</u>		<u>937,067</u>
South African normal taxation rate	28.00%	472,357	28.00%	262,379
<i>Adjusted for:</i>				
Effect of exemption from taxation (section 10(1)(e)(i))	-19.73%	(332,896)	-13.87%	(129,954)
Effect of income tax recognised in current tax for prior periods	0.00%	-	0.04%	378
Net reduction	<u>-19.73%</u>	<u>(332,896)</u>	<u>-13.83%</u>	<u>(129,576)</u>
Effective rate of taxation	<u>8.27%</u>	<u>139,461</u>	<u>14.17%</u>	<u>132,803</u>

Current taxation is calculated at 28% of the estimated taxable profit for the year. A change in the income taxation rate from 28% to 27% was substantively enacted on 23 February 2022, effective for taxable income arising in years of assessment ending on or after 31 March 2023. Deferred taxation assets and liabilities on temporary differences that are expected to reverse for years ending on or after this date are measured at 27% (2021: 28%).

14. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

15. Profit from scrutiny fees

Income	241,000	394,500
Architects' fees	(182,282)	(261,712)
	<u>58,718</u>	<u>132,788</u>

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R	2023	2022
16. Profit from tags and penalties		
Income	209,990	195,911
Direct expenses	(42,976)	(36,539)
	<u>167,014</u>	<u>159,372</u>
17. Accounting and related fees		
Tax and secretarial services	<u>17,010</u>	<u>18,433</u>
18. Garden maintenance		
Erf cleaning	162,354	306,454
Fertilizer and herbicides	40,931	42,367
Fuel and lubricants	37,342	25,474
Gardening and landscaping	65,471	36,701
Insurance	21,415	21,339
License fees	2,076	2,700
Protective clothing	23,992	9,589
Rent	78,608	73,465
Repairs and maintenance	34,291	32,447
Salary	117,333	-
Wages	394,076	329,354
Recovery of expenses: Garden maintenance	(48,312)	(48,312)
	<u>929,577</u>	<u>831,578</u>
19. Security		
Maintenance	439,086	551,607
Security	2,988,295	2,766,578
Telephone cost	962,087	990,406
Recovery of expenses : Security	(99,187)	(92,400)
	<u>4,290,281</u>	<u>4,216,191</u>
20. Repairs and maintenance		
Property	387,471	633,234
Equipment	55,562	70,309
	<u>443,033</u>	<u>703,543</u>

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in R	2023	2022
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21. Related party transactions

Related parties where the same director are involved	Cumulus Projects (Pty) Ltd Que Civils CC
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Members of key management	Mr F Manuel Mrs C Fourie Mr K Harmse Mr JL van der Westhuizen Mr FPL Wepener
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Transactions with entities where the same directors are involved

Rent paid to related party

Cumulus Projects (Pty) Ltd	395,201	368,189
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Garden maintenance income from related party

Cumulus Projects (Pty) Ltd	48,312	48,312
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Security income from related party

Cumulus Projects (Pty) Ltd	99,187	92,400
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Amounts included in trade payables with member of key management

Professional fees	-	4,000
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Transactions with member of key management

Professional fees	4,000	80,500
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Repairs and maintenance to related party

Que Civils CC	76,070	148,528
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22. Change in estimate

A change in the income taxation rate from 28% to 27% was substantively enacted on 23 February 2022, effective for taxable income arising in years of assessment ending on or after 31 March 2023. Deferred taxation assets and liabilities on temporary differences that are expected to reverse for years ending on or after this date are measured at 27% (2021: 28%). There is no effect on the current period, but as this is a change in estimate that needs consideration, the disclosure are still done. The effect on future periods is impracticable to estimate.

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in R	Notes	2023	2022
Levies received			
Blue Mountain Village		5,245,350	4,896,000
Blue Mountain Carenet Retirement Estate P.O.A.		544,447	513,180
Blue Mountain Gardens		239,972	251,990
Blue Mountain Gardens - Lifestyle Estate		1,643,040	1,419,407
Blue Mountain Haven		255,460	239,400
Building		148,500	313,500
Building management		326,875	282,163
Building penalties		331,168	-
Developer		52,898	66,489
Entrance (General Reserve Fund)		891,432	1,164,336
Gables Trust		202,111	148,200
	8	<u>9,881,253</u>	<u>9,294,665</u>
Cost of Sales			
Opening stock		4,752	6,408
Purchases		(2,349)	(1,656)
Closing stock	3	<u>(2,403)</u>	<u>(4,752)</u>
		-	-
Other Income			
Insurance claims received	9	6,204	36,735
Investment income	10	354,802	230,422
Profit from scrutiny fees	15	58,718	132,788
Profit from tags and penalties	16	167,014	159,372
Profit on sale of springbuck	9	3,806	8,000
Profit on sale of wheelie bins	9	1,731	1,644
Resales	9	102,050	121,150
		<u>694,325</u>	<u>690,111</u>
		<u>10,575,578</u>	<u>9,984,776</u>

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

(Registration Number 2006/027010/08)

Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in R	Notes	2023	2022
Expenditure			
Accounting fees	17	17,010	18,433
Advertising		720	-
Assets under R7 000		407	-
Audit fees	12	48,248	41,285
Bank charges		18,722	19,830
Cleaning		27,535	73,379
Computer expenses		10,485	15,975
Depreciation: Property, plant and equipment	2	322,149	272,927
Employee cost	12	1,465,037	1,381,566
Entertainment		6,326	1,800
Finance costs	11	23	-
Gardening maintenance	18	929,577	831,578
Generator costs		229,892	36,184
Insurance	12	205,781	163,785
Legal expense		22,493	127,780
Loss on disposal of property, plant and equipment		15,478	87,337
Meeting expenses		34,698	15,903
Postage		3,175	2,994
Printing and stationery		40,345	33,992
Professional fees		89,381	342,730
Rent paid: administration building		316,593	294,724
Repairs and maintenance	20	443,033	703,543
Security	19	4,290,281	4,216,191
Staff welfare		13,670	7,158
Subscriptions		-	11,385
Telephone cost	12	25,076	19,008
Training		6,612	700
Utilities	12	301,341	322,722
Website maintenance		4,500	4,800
		<u>8,888,588</u>	<u>9,047,709</u>
Surplus before taxation		1,686,990	937,067
Taxation	13	(139,461)	(132,803)
Surplus for the year		1,547,529	804,264

BLUE MOUNTAIN VILLAGE HOME OWNERS ASSOCIATION (RF) NPC

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Financial Statements for the year ended 28 February 2023

Taxation

Figures in R 2023

Income that do not qualify for section 10(1)(e)(i)-exemption:

Interest received	354,802
Profit from scrutiny fees	58,718
Profit from tags and penalties	167,014
Resales	102,050
Sale of springbuck	3,806
Profit on wheelie bins	1,731
Total receipts and accruals subject to taxation	688,121
Less: Basic exemption (max of R50,000)	(50,000)
Income subject to taxation (before allowable deductions)	638,121

Deduction for qualifying expenses:

Portion of administrative and accounting expenses	(140,047)
Taxable income	498,074

Taxation thereon @ 28%	139,461
Provisional taxation paid	(132,425)
SARS interest	23
	7,058
Taxation receivable: 2022	-
Taxation payable: 2023	7,058
	7,058

Calculation of deductible portion of administrative and accounting expenses:

Administrative and accounting expenses:

Accounting fees	17,010
Audit fees	48,248
Bank charges	18,722
Computer expenses	10,485
Employee costs	1,438,863
Meeting expenses	34,698
Postage	3,175
Printing and stationery	40,345
Rent paid: administration building	316,593
Staff welfare	13,670
Training	6,612
	1,948,421

Deductible portion of administrative and accounting expenses	140,047
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