

GREENFIELDS
BODY CORPORATE
(Registration number: SS615/1995)
Annual Financial Statements
for the year ended 30 June 2016

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Index

The reports and statements set out below comprise the financial statements presented to the trustee(s):

Index	Page
Report of the independent auditors	2
Trustees' responsibilities and approval	3
Report of the trustees	4
Statement of financial position	5
Detailed statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 to 10
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed statement of comprehensive income	Appendix A
Tax computation	Appendix B
Supplementary information	Appendix C

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GREENFIELDS BODY CORPORATE

Report of the Financial Statements

We have audited the annual financial statements of Greenfields Body Corporate, which comprise the trustees' report, the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 10.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's), and in the manner required by the Sectional Titles Act 95 of 1986 of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified audit opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the body corporate as of 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's), and in the manner required by the Sectional Titles Act 95 of 1986 of South Africa.

Supplementary information

The supplementary schedules set out in Appendix A and B do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

Nichabiz Financial Consultants Inc.
Chartered Accountants (S.A.)
Registered accountants and auditors

Edenvale
19 August 2016

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Trustees' Responsibilities and Approval

The trustees are required by the Sectional Titles Act 95 of 1986 of South Africa, 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 fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The trustees 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 provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the organisation's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of trustees is primarily responsible for the financial affairs of the company, they are supported by the organisation's external auditors.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 3.

The financial statements set out on pages 4 to 10, which have been prepared on the going concern basis, were approved and signed by the board of trustees on:

P Rossouw (Chairperson)

L Parsley

C Penada

**Edenvale
19 August 2016**

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Trustees' Report

The trustees submit their report for the year ended 30 June 2016.

1. Review of activities

Main business and operations

The principle activity of the body corporate is that of controlling body of a sectional title development.

The operating results and state of affairs of the body corporate are fully set out in the attached annual financial statements and do not in our opinion need any further comment other than that the contributions paid by section owners and interest earned during the year were sufficient to meet expenditure as stated below.

The net surplus of the organisation was:	<u>2016</u>	<u>2015</u>
after taxation of:	(514 614)	101 070
	-	(1 863)
	<u><u>(514 614)</u></u>	<u><u>99 207</u></u>

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Trustees

The trustees during the accounting period and up to the date of this report was as follows:

P Rossouw (Chairperson)
L Parsley
C Penada

4. Auditors

Nichabiz Financial Consultants Inc. have been appointed for the year and will continue in office in accordance with Section 40 of the Sectional Titles Act 95 of 1986.

5. Management Agents

The managing agent of the body corporate is Direct Complex Services.

Business Address

3A Gans Road
Edenglen Ext 11
Edenvale

Postal Address

PO Box 9604
Edenglen
1613

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Statement of financial position

Figures in Rand	Notes	2016	2015
Assets			
Non-current Assets			
		-	-
Current Assets			
		638 497	1 140 170
Levies and other receivables	2.	19 514	8 687
Cash and cash equivalents	3.	618 983	1 131 483
Total Assets		638 497	1 140 170
Equity and Liabilities			
Equity			
		470 180	984 794
Accumulated surplus		470 180	984 794
Liabilities			
Non-current liabilities			
		-	-
Current liabilities			
		168 318	155 377
Trade and other payables	4.	163 072	150 132
Taxation payable	5.	5 245	5 245
Total Liabilities		168 318	155 377
Total Equity and Liabilities		638 497	1 140 170

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Statement of comprehensive income

Figures in Rand	Notes	2016	2015
Revenue	6.	1 457 472	1 390 991
Gross profit / (loss)		1 457 472	1 390 991
Other income		69 779	7 550
Operating expenses		(2 083 300)	(1 352 798)
Operating surplus / (deficit)		(556 049)	45 743
Interest received	7.	41 435	55 328
Surplus / (deficit) for the year		(514 614)	101 070
Income tax expense	8.	-	(1 863)
Profit / (loss) for the period		(514 614)	99 207
Accumulated surplus /(deficit) - beginning of year		984 794	885 586
Accumulated surplus /(deficit) - end of year		470 180	984 794

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Statement of changes in equity

Figures in Rand	Accumulated surplus	Total
Balance at 1 July 2013	885 586	885 586
Changes	-	-
Surplus for the year	99 207	99 207
Total changes	99 207	99 207
Balance at 1 July 2014	984 794	984 794
Changes	-	-
Surplus for the year	(514 614)	(514 614)
Total changes	(514 614)	(514 614)
Balance at 30 June 2015	470 180	470 180

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Statement of cash flows

Figures in Rand	Notes	2016	2015
Cash flows from operating activities			
Cash receipts from members		1 516 424	1 428 133
Cash paid to suppliers and employees		<u>(2 070 359)</u>	<u>(1 313 827)</u>
Cash generated from (used in) operations	9.	(553 935)	114 306
Interest income		41 435	55 328
Finance costs		-	-
Taxation paid		-	-
Net cash from operating activities		<u>(512 500)</u>	<u>169 634</u>
Additions to property, plant and equipment		-	-
Net cash flows from investing activities		-	-
Net cash flows from financing activities		-	-
Total cash movement for the period		(512 500)	169 634
Cash at the beginning of the period		<u>1 131 483</u>	<u>961 849</u>
Total cash at end of the period		<u>618 983</u>	<u>1 131 483</u>

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises, and the Sectional Titles Act 95 of 1986 of South Africa.

The financial statements are presented in South African Rand.

1.1 Taxation

Current taxation for the current and prior period is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current taxation assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the taxation rates (and taxation laws) that have been enacted or subsequently enacted by the balance sheet date.

1.1.1 Taxation expense

Current and deferred taxation is recognised as income or an expense and included in profit or loss for the period. Current and deferred taxation are charged directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly to equity.

The body corporate is taxed in terms of Section 10(1)(e) of the Income tax act.

1.2 Property, plant and equipment

All movable assets acquired during the period are expensed to the statement of comprehensive income when acquired and are not capitalised to the statement of financial position.

1.3 Levies and recoveries

Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax (as appropriate) and excluding discounts and rebates. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity, the amount of revenue can be reliably measured and the other relevant criteria pertaining to the type of revenue are met, as specified in the following paragraphs.

1.3.1 Revenue from levies with respect to the financial year under review is recognised on an accrual basis when levies are due and payable by members, in accordance with the approved levies structure. Levies received in advance (if applicable) are deferred and recognised on a straight line basis with respect to the period to which the relate

1.3.2 Revenue in the form of interest is recognised using the effective interest method to allocate the interest income over the expected life of the financial asset concerned.

1.3.3 All expense recovered from tenants is recognised on an accrual basis and are netted off against the expense recovered.

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
2. Levies and other receivables		
Levies receivable	5 280	8 687
Prepayments	14 234	-
	<u>19 514</u>	<u>8 687</u>
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balance	31 755	166 583
Notice deposits	587 228	963 843
Cash on hand	-	1 057
	<u>618 983</u>	<u>1 131 483</u>
4. Trade and other payables		
Trade payables	37 612	29 202
Other Accruals	24 411	25 982
Levies received in advance	101 050	94 947
	<u>163 072</u>	<u>150 132</u>
5. Taxation		
Opening balance	5 245	3 382
Normal SA Income tax	-	1 863
Closing balance	<u>5 245</u>	<u>5 245</u>
6. Revenue		
Levies received	1 457 472	1 390 991
	<u>1 457 472</u>	<u>1 390 991</u>
7. Investment income		
Received from financial institutions	41 435	55 328
	<u>41 435</u>	<u>55 328</u>
8. Taxation		
Major components of the tax expense / income		
Normal RSA income tax	-	1 863
	<u>-</u>	<u>1 863</u>
No provision has been made for current tax as the body corporate has no taxable income. In terms of Section 10(1)(e) of the Income Taxation act of 1963, as amended, the body corporate is only taxed on income other than levies received in excess of R50,000 per annum.		
9. Cash generated from (used in) operations		
Profit (loss) before taxation	(514 614)	101 070
Adjustments for:		
Interest received	(41 435)	(55 328)
Movements in operating lease assets and accruals		
Changes in working capital:		
Levies and other receivables	(10 827)	29 592
Trade and other payables	12 941	38 971
	<u>(553 935)</u>	<u>114 306</u>

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Detailed statement of comprehensive income

Figures in Rand	Notes	2016	2015
Revenue			
Gross Revenue	6.	1 457 472	1 390 991
Levies received		1 457 472	1 390 991
Gross Profit		1 457 472	1 390 991
Other income			
Other income		69 779	7 550
Clubhouse Bookings		2 150	7 550
Legal claims received		67 629	-
Income		1 527 251	1 398 541
Expenses (Appendix A.2)		(2 083 300)	(1 352 798)
Operating profit/(loss)		(556 049)	45 743
Interest received	7.	41 435	55 328
Surplus for the period		(514 614)	101 070
Income tax expense	8.	-	(1 863)
Profit for the period		(514 614)	99 207
Accumulated surplus /(deficit) - beginning of year		984 794	885 586
Accumulated surplus /(deficit) - end of year		470 180	984 794

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Detailed statement of comprehensive income

Figures in Rand	Notes	2016	2015
Operating Expenses		2 083 300	1 352 798
Audit fees		15 000	19 100
Bad debts		-	16 972
Bank charges		9 120	11 201
Cleaning expenses		2 565	1 611
Depreciation		-	249
Employee costs		241 883	224 851
Entertainment		644	14 210
Gifts		-	641
Insurance		69 349	76 459
Legal Fees		3 044	40 739
Management fees		160 000	134 549
Motor vehicle expenses		670	4 320
Pest control		9 625	16 370
Postage		-	88
Printing and stationery		1 653	3 998
Projects		760 579	-
Protective clothing		4 813	4 467
Repairs and maintenance		205 051	186 131
Security		298 718	302 009
Staff welfare		600	2 884
Telephone and fax		3 801	-
Utilities, rates and taxes		292 684	288 881
Workmen's compensation		3 500	3 070

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Tax Computation

Figures in Rand	Notes	2016	2015
		R	R
Total income not from levies as per income statement		43 585	62 878
Less: basic exemption		(50 000)	(50 000)
Less expenses directly attributable to income			
Cutting of spare keys		-	(751)
Income subject to income tax		(6 415)	12 127
Qualifying general expenses	117 539		-
Levy income relating to the qualifying expenses	114 290		-
Basic exemption		(3 921)	(5 474)
Total calculated taxable income		(10 335)	6 653
Taxation at applicable rates (28%)		-	1 863
Tax liability			
Amount owing (prepaid) at beginning of year		5 245	3 382
Adjustments in respect of prior year		-	-
Amount paid / refunded during the year		-	-
		5 245	3 382
Tax owing (prepaid) for the current year			
Normal tax		-	1 863
Per calculation		-	1 863
Interest charges		-	-
1st provisional payment		-	-
2nd provisional payment		-	-
Amount owing (prepaid) at end of year		5 245	5 245

GREENFIELDS BODY CORPORATE

(Registration number: SS615/1995)

Annual Financial Statements for the year ended 30 June 2016

Supplementary Information

Figures in Rand

	2016	2015
--	------	------

Detail schedule of amounts paid by the body corporate

1. Municipal Charges

Electricity	45 489	46 101
Sewerage	91 892	97 587
Water	143 943	140 490
Refuse removal	11 360	4 703
	<u>292 684</u>	<u>284 178</u>

2. Repairs and maintenance

Garden and Tools	38 152	24 701
Painting	6 376	6 785
Electric	12 073	16 322
Plumbing	42 750	29 810
Security Gates	11 046	52 538
Pool	40 434	3 046
Building	48 060	27 735
Fire Hydrants	2 334	3 179
Signage	3 828	22 016
	<u>205 051</u>	<u>186 131</u>

3. Projects

Painting project	151 804	-
New entrance project	173 955	-
Waterproofing project	434 821	-
	<u>760 579</u>	<u>-</u>