

PLEASE RETURN TO:  
PKF (P.E.) Inc.

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**ANNUAL FINANCIAL STATEMENTS  
30 JUNE 2012**

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2012**

**DIRECTORATE AND ADMINISTRATION**

<b>Country of incorporation</b>	Republic of South Africa
<b>Nature of business</b>	Homeowners Association
<b>Directors</b>	C Egberink M W Rushmere C G Rushmere Z Hayes G F Rushmere C S Smith
<b>Business address</b>	Gamtoos Mouth Portion 177 of farm no. 501 Maurits Kraal (Kasperski Shed)
<b>Postal address</b>	P O Box 213 Thornhill 6375
<b>Bankers</b>	First National Bank Limited
<b>Auditors</b>	PKF (P.E.) Incorporated Chartered Accountants (S.A.) Registered Auditors
<b>Company registration number</b>	1999/001483/08
<b>Level of assurance</b>	The annual financial statements have been audited in accordance with the applicable requirements of the Companies Act of South Africa
<b>Preparer</b>	The annual financial statements were compiled under the supervision of: C Egberink

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2012**

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**Directors' responsibility and approval**


The annual financial statements set out on pages 4 to 15 are the responsibility of the directors.

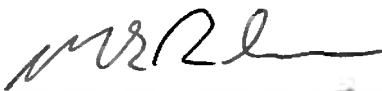
The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal control that, amongst other things, will ensure the preparation of financial statements that achieve fair presentation.

After conducting appropriate procedures the directors are satisfied that the company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The annual financial statements were approved by the board of directors on 9 November 2012 and signed on its behalf.

  
\_\_\_\_\_  
C Egberink

  
\_\_\_\_\_  
C G Rushmere

  
\_\_\_\_\_  
M W Rushmere

  
\_\_\_\_\_  
Z Hayes



## INDEPENDENT AUDITORS' REPORT

To the Shareholders of Gamtoos Mouth Homeowners Association NPC

Chartered accountants  
& business advisers

We have audited the financial statements of Gamtoos Mouth Homeowners Association NPC set out on pages 7 to 15, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair 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, 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.

### 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 about 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 or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 management, 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 audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gamtoos Mouth Homeowners Association NPC as at 30 June 2012, 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.

### Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2012, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The directors' report is the responsibility of the directors. Based on reading the directors' report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

*PKF-CPE)INC*

**PKF (P.E.) Incorporated**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**  
**Per: L. Battle RA CA (SA)**

**Port Elizabeth**

**9 November 2012**

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PKF (PE) Inc. Registered Auditors Chartered Accountants (SA) A member of PKF International Ltd Reg No. 2002/004678/21  
Directors: D J Robertson, L Battle, M C Daverin, S Mao-Cheia, A J C Reid, L D Van Goeverden, I G Whittal  
Director of Associated Companies: E Reed | Office Manager: W Goedde

PKF (PE) Inc is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. PKF in South Africa practise as separate incorporated entities in Bloemfontein, Cape Town, Durban, George, Johannesburg, Port Elizabeth, Pretoria and Welkom.

## **GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

### **DIRECTORS' REPORT for the year ended 30 June 2012**

The directors present their annual report which forms part of the audited annual financial statements of the company for the year ended 30 June 2012.

#### **DIRECTORS**

The directors of the company during the accounting period and up to the date of this report were as follows:

C Egberink

M W Rushmere

C G Rushmere

Z Hayes

S Stockley

- Resigned 12 November 2011

G F Rushmere

C S Smith

- Appointed 12 November 2011

#### **FINANCIAL RESULTS**

The results of the company and the state of its affairs are set out in the attached financial statements and do not, in the directors' opinion, require further comments.

#### **PRINCIPAL ACTIVITY OF THE COMPANY**

The principal activity of the company is to promote communal interest of owners of immovable properties.

#### **EVENTS AFTER THE REPORTING PERIOD**

The directors are not aware of any matter or circumstance arising since the end of the financial year that requires disclosure.

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2012

	Notes	2012 R	2011 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Buildings, vehicles and equipment	2	862 903	674 136
Investments	3	1 532 206	1 537 839
<b>CURRENT ASSETS</b>			
Inventories	8	10 629	33 376
Trade and other receivables		262 547	200 808
Taxation		-	1 001
Bank balances and cash on hand		131 478	152 524
<b>TOTAL ASSETS</b>		<u>2 799 763</u>	<u>2 599 684</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Development fund and maintenance provision		932 651	924 398
Capital reserves	11	1 678 625	1 556 778
Accumulated loss		(278 445)	(145 670)
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowing	4	121 996	61 871
Deferred taxation	9	126 863	83 058
<b>CURRENT LIABILITIES</b>			
Current portion of long term borrowing	4	42 926	19 326
Trade and other payables		163 147	87 923
Deposits for electrical upgrades		12 000	12 000
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2 799 763</u>	<u>2 599 684</u>

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2012**

	Note	2012 R	2011 R
LEVIES RECEIVED		1 189 290	977 750
Normal		1 134 000	931 680
Resale recovery		55 290	46 070
OTHER INCOME		102 523	104 150
Dividends received		54 756	45 900
Interest received		5 186	2 932
Profit on disposal of plant and equipment		-	12 292
Profit on sale of remotes		742	925
Sundry income		11 839	15 021
Rent received		30 000	27 080
TOTAL INCOME		1 291 813	1 081 900
EXPENDITURE (Page 7)		1 424 588	1 131 779
OPERATING LOSS		(132 775)	(49 879)
Capital profit on sale of listed investments		79 426	68 379
Fair value adjustment to listed shares		86 226	65 902
PROFIT BEFORE TAXATION		32 877	84 402
TAXATION	5	(43 805)	(8 544)
NET (LOSS) PROFIT FOR THE YEAR		(10 928)	75 858

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2012

	2012	2011
	R	R
<b>EXPENDITURE</b>		
Administration fees paid	17 821	19 506
Auditors' remuneration	13 044	12 013
Audit fee - current year	10 600	9 854
- (over) under provision	(171)	520
Fees for other services	2 615	1 639
Bad debts	(780)	8 290
Bank charges	25 537	29 444
Cleaning	1 047	1 076
Computer expenses and survey fees	6 430	2 940
Consumables	1 164	-
Copies of plans	637	-
Depreciation	166 794	73 267
Plant and equipment	87 843	52 485
Motor vehicles	78 951	20 782
Electricity	833 370	693 670
Entertainment	4 418	1 607
Insurance	48 480	40 353
Interest paid	19 326	2 783
Legal expenses	1 750	136
Lease rentals	18 300	-
Loss on disposal of plant and equipment	19 148	-
Management salaries	159 981	147 408
Managing agents fee	312 900	310 500
Motor vehicle expenses	68 234	36 150
Printing and stationery	9 172	3 082
Protective clothing	4 615	2 148
Recoveries	(896 297)	(817 055)
- Electricity	(741 012)	(663 364)
- Rental - MTN	(29 568)	(27 378)
- Rubble removal	(3 125)	(5 985)
- Water	(122 592)	(120 328)
Postage	5 128	-
Refuse removal	23 983	65 120
Repairs and maintenance	155 668	139 658
Resort administration fees	30 525	25 684
Salaries	76 640	-
Security	18 274	16 018
Signs	6 155	2 637
Sundry disbursements	32 820	62 448
Telephone and fax	11 858	4 769
Travel	1 263	773
Wages	130 427	112 656
Water	96 756	134 698
	<u>1 424 588</u>	<u>1 131 779</u>

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 30 June 2012**

	<b>Capital reserves</b> R	<b>Development fund</b> R	<b>Provision for future maintenance</b> R	<b>Accumulated loss</b> R	<b>Total</b> R
Balance at 1 July 2010	1 431 723	845 928	13 169	(96 473)	2 194 347
Total comprehensive income for the year				75 858	75 858
Deferred taxation on increase in revaluation of listed investments	(9 226)			9 226	-
Transfer of deficit on revaluation of listed investments	65 902			(65 902)	-
Profit on disposal of listed investments	68 379			(68 379)	-
Contribution from developer		65 301			65 301
Balance at 30 June 2011	1 556 778	911 229	13 169	(145 670)	2 335 506
Total comprehensive loss for the year				(10 928)	(10 928)
Transfer of revaluation of listed investments	86 226			(86 226)	-
Deferred taxation on increase in revaluation of listed investments	(16 099)			16 099	-
Change in capital gains tax inclusion rate	(27 706)			27 706	-
Profit on disposal of listed investments	79 426			(79 426)	-
Contribution from developer		8 253			8 253
Balance at 30 June 2012	1 678 625	919 482	13 169	(278 445)	2 332 831

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**STATEMENT OF CASH FLOWS**

for the year ended 30 June 2012

	Note	2012 R	2011 R
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>		98 653	(22 441)
Profit before taxation		32 877	84 402
Adjustments		(12 073)	(54 054)
Loss (profit) on disposal of plant and equipment		19 148	(12 292)
Depreciation		166 794	73 267
Interest received		(5 186)	(2 932)
Dividends received		(54 756)	(45 900)
Interest paid		19 326	2 783
Contribution from developer		8 253	65 301
Capital profit on disposal of shares		(79 426)	(68 379)
Fair value adjustment to shares		(86 226)	(65 902)
Operating profit before working capital changes		20 804	30 348
Working capital changes		36 232	(99 563)
Decrease (increase) in inventory		22 747	(16 733)
Increase in trade and other receivables		(61 739)	(63 891)
Increase (decrease) in trade and other payables		75 224	(18 939)
Cash generated from (absorbed by) operations		57 036	(69 215)
Interest received		5 186	2 932
Interest paid		(19 326)	(2 783)
Dividends received		54 756	45 900
Taxation refunded	10.1	1 001	725
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(203 424)	(78 087)
Purchase of plant and equipment		(374 709)	(140 722)
Proceeds on disposal of plant and equipment		-	13 000
Purchase of investments		(103 336)	(211 382)
Proceeds on disposal of shares		274 621	261 017
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		83 725	81 197
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		(21 046)	(19 331)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		152 524	171 855
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		131 478	152 524

# GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30 June 2012

### 1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared on the historical cost basis except as indicated below and incorporate the principal accounting policies, set out below, which are consistent with those of the previous year.

#### 1.1 Investments

All investments are initially recognised at cost, including acquisition charges associated with the investment. After initial recognition, investments are measured at fair value. Fair value gains or losses on investments are recognised in the statement of comprehensive income.

#### 1.2 Buildings, vehicles and equipment

Plant and equipment is stated at historical cost less depreciation.

Depreciation is calculated on the straight-line basis at the following rates:

Equipment	16.6 - 33.3%
Motor vehicles	20 - 25%

Buildings are stated at cost or valuation at date of acquisition.

As the residual value of the buildings exceeds the historical cost the depreciation charge to the income statement is nil.

Assets less than R7 000 are written off in one year.

#### 1.3 Taxation

Deferred taxation is provided at legislated rates. Full provision is made for all temporary differences between the tax base of an asset or liability and its statement of financial position carrying amount.

#### 1.4 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors and borrowings. These instruments are generally carried at their estimated fair value.

#### 1.5 Related Parties

Parties are related if one party has the ability to control the other party, or exercise significant influence over the other party, in making financial and operating decisions.

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**30 June 2012**

	2012 R	2011 R
<b>2. BUILDINGS, VEHICLES AND EQUIPMENT</b>		
Gross carrying amount		
Buildings	510 734	485 927
Equipment	259 603	271 830
Motor vehicles	<u>526 447</u>	<u>256 438</u>
	<u>1 296 784</u>	<u>1 014 195</u>
Accumulated depreciation		
Equipment	222 951	208 080
Motor vehicles	<u>210 930</u>	<u>131 979</u>
	<u>433 881</u>	<u>340 059</u>
Net carrying amount		
Buildings	510 734	485 927
Equipment	36 652	63 750
Motor vehicles	<u>315 517</u>	<u>124 459</u>
	<u>862 903</u>	<u>674 136</u>
Description of Buildings		
Buildings comprise of an ablution block, boat houses, slipway and general out buildings situated on Erf 243, portion 32 of the farm Mauritz Kraal, no. 501 Uitenhage district.		
<b>Reconciliation of carrying amount:</b>		
Buildings		
Net carrying amount at beginning of year	485 927	485 927
Additions	<u>24 807</u>	<u>-</u>
Net carrying amount at end of year	<u>510 734</u>	<u>485 927</u>
Equipment		
Net carrying amount at beginning of year	63 750	111 240
Additions	79 893	4 995
Disposals	(19 148)	-
Depreciation	<u>(87 843)</u>	<u>(52 485)</u>
Net carrying amount at end of year	<u>36 652</u>	<u>63 750</u>
Motor vehicles		
Net carrying amount at beginning of year	124 459	10 222
Additions	270 009	135 727
Disposals	-	(708)
Depreciation	<u>(78 951)</u>	<u>(20 782)</u>
Net carrying amount at end of year	<u>315 517</u>	<u>124 459</u>

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**30 June 2012**

	2012 R	2011 R
<b>3. INVESTMENTS</b>		
Listed shares		
Cost	<u>852 704</u>	<u>944 562</u>
Market value	<u>1 532 206</u>	<u>1 537 839</u>
Details of listed shares		
300 Adcock Ingram Hldgs Ltd	17 667	17 667
1600 African Bank Investments	61 811	61 811
1600 RMB Holdings Ltd	17 222	17 222
670 Murray and Roberts Hldgs	22 653	19 593
300 British American Tobacco Ltd	57 520	57 520
3400 Rand Merch Ins Hldgs Ltd	32 022	8 019
1500 First Rand Bank Ltd	20 129	20 129
- Raubex Group Ltd	-	18 451
125 Anglo American PLAT Ltd	73 202	-
916 Aspen Pharmacare Holdings Ltd	22 558	22 558
550 Anglo American PLC	108 429	108 429
550 Bhp Billiton PLC	65 553	65 553
21 Impala Platinum Holdings PLC	3 073	105 521
800 Mr Price Group Ltd	24 594	24 594
600 Standard Bank Group Ltd	56 138	56 138
- Pick 'n Pay Holdings Ltd	-	20 465
400 Remgro Ltd	15 629	15 629
- Sappi Ltd	-	50 759
600 Sasol Ltd	<u>132 643</u>	<u>132 643</u>
	852 704	944 562
Surplus on revaluation of shares at cost	<u>679 502</u>	<u>593 277</u>
Listed shares at market value	<u>1 532 206</u>	<u>1 537 839</u>
<b>4. LONG TERM BORROWING</b>		
<b>Secured loan</b>		
Wesbank	164 922	81 197
Instalment sale agreements repayable in instalments over a period of four years at an interest rate of 8%, secured over motor vehicles with a carrying amount of R255 755 (2011: R108 055).		
Current portion of long-term borrowings	<u>(42 926)</u>	<u>(19 326)</u>
	<u>121 996</u>	<u>61 871</u>



**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**30 June 2012**

	2012 R	2011 R
<b>8. INVENTORIES</b>		
Water meters	3 555	-
Fuel	-	18 112
Electricity dispensing units	1 709	10 824
Security gate remotes	5 365	4 440
	<u>10 629</u>	<u>33 376</u>
<b>9. DEFERRED TAXATION</b>		
Revaluation of listed shares	<u>126 863</u>	<u>83 058</u>
Reconciliation between deferred taxation opening and closing balance:		
Deferred tax liability at beginning of year	83 058	73 832
Originating temporary differences on revaluation of listed shares	16 099	9 226
Change in capital gains tax inclusion rate	<u>27 706</u>	<u>-</u>
Balance at end of year	<u>126 863</u>	<u>83 058</u>
<b>10. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>10.1 Reconciliation of taxation paid during year</b>		
Overpaid at beginning of year	1 001	1 044
Charged in income statement	(43 805)	(8 544)
Adjusted for deferred tax	43 805	9 226
Overpaid at end of year	<u>-</u>	<u>(1 001)</u>
Refund received	<u>1 001</u>	<u>725</u>
<b>11. CAPITAL RESERVES</b>		
Capital profit on sale of shares	770 218	690 792
Surplus on revaluation of shares		
- Balance brought forward	593 277	527 375
- Current year	86 226	65 902
- Deferred tax	126 863	(83 058)
	552 640	510 219
Fair value adjustments to fixed assets		
- Boat houses	209 148	209 148
- Slipway	123 864	123 864
- Fire fighting trailer	12 546	12 546
- Fire fighting equipment	10 209	10 209
	<u>1 678 625</u>	<u>1 556 778</u>

**GAMTOOS MOUTH HOMEOWNERS ASSOCIATION NPC**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**30 June 2012**

	2012 R	2011 R
<b>12. TRADE AND OTHER RECEIVABLES</b>		
Included in trade and other receivables are levies in arrear aged as follows:		
90 days and over	128 353	49 617
60 days and over	34 534	25 855
30 days and over	48 151	34 373
Current	<u>33 787</u>	<u>69 472</u>
Total levies (net)	<u><u>244 825</u></u>	<u><u>179 317</u></u>
<b>13. DIRECTORS' EMOLUMENTS</b>		
For services as directors	-	-
For management services	<u>30 000</u>	<u>-</u>
	<u><u>30 000</u></u>	<u><u>-</u></u>