

**SUNDOWNERS RESIDENTS ASSOCIATION  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 28 February 2010**

A R Drew  
Chartered Accountant (S.A.)  
Registered Auditor  
Issued 22 March 2010

**SUNDOWNERS RESIDENTS ASSOCIATION  
FINANCIAL STATEMENTS  
for the year ended 28 February 2010**

The reports, statements and information set out below comprise the annual financial statements presented to members:


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**Approval and statement of responsibility**

The financial statements which appear on pages 3 to 7 were approved by the chairman on 22 March 2010.

The chairperson is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information included in this report. The financial statements have been prepared in accordance with generally accepted accounting practice and incorporate the necessary disclosure in line with the accounting philosophy of the Association.

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Chairman



**A R DREW**  
Chartered Accountant (SA)  
Registered Auditor  
Pr. No. 950327

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**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
SUNDOWNERS RESIDENTS ASSOCIATION**

I have audited the annual financial statements of Sundowners Residents Association set out on pages 3 to 7 for the year ended 28 February 2010.

**Trustees' responsibility for the financial statements**

The association's trustee is responsible for the preparation and fair presentation of these annual financial statements in accordance with generally accepted accounting practice. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**


My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with statements of International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association preparation and fair presentation of the annual 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 Association'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 annual financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Audit opinion**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the at 28 February 2010 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

  
A R Drew  
Chartered Accountant (S.A.)  
Registered Auditor

Randburg  
22 March 2010

**SUNDOWNERS RESIDENTS ASSOCIATION  
REPORT OF THE CHAIRPERSON  
for the year ended 28 February 2010**

The chairperson presents the report for the year ended 28 February 2010. This report forms part of the audited financial statements.

**1. Business and operations**

The Association's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

**2. Financial results**

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

**3. Board**

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

C Cullen

**4. Managing Agent**

The managing agent of the Association is Millenium Business Services, whose business address is:

P O Box 4309  
Honeydew  
2040

**SUNDOWNERS RESIDENTS ASSOCIATION**  
**BALANCE SHEET**  
as at 28 February 2010

	Notes	2010 R	2009 R
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2	5,143	9,092
<b>Current assets</b>			
Accounts receivable		6,377	-
Bank balances		336,017	431,718
		<u>342,394</u>	<u>431,718</u>
<b>Total assets</b>		<u><u>347,537</u></u>	<u><u>440,810</u></u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Accumulated funds		317,193	409,843
<b>Current liabilities</b>			
Taxation		27,375	27,375
Accounts payable	4	2,969	3,592
		<u>30,344</u>	<u>30,967</u>
<b>Total reserves and liabilities</b>		<u><u>347,537</u></u>	<u><u>440,810</u></u>

**SUNDOWNERS RESIDENTS ASSOCIATION**  
**LEVY STATEMENT**  
for the year ended 28 February 2010

	Note	2010 R	2009 R
<b>Income</b>			
Interest received		33,716	46,571
Levies		1,536,102	1,475,215
		<u>1,569,818</u>	<u>1,521,786</u>
<b>Total income</b>		<u>1,569,818</u>	<u>1,521,786</u>
<b>Expenditure</b>			
Accounting fees		25,942	23,590
Ablution		20,867	19,604
Advertising		1,875	12,323
Auditors' remuneration		2,970	2,700
Bureafocus fees		6,628	6,119
Bank charges		3,635	3,575
Commission paid		150	150
Computer expenses		7,753	308
Depreciation		3,949	1,546
Donations		1,000	2,000
Electricity and water		5,760	7,330
Entertainment		4,645	4,873
General expenses		898	674
Insurance		3,701	3,606
Legal expenses		5,000	-
Printing and stationery		5,479	2,907
Repairs and maintenance		125,619	224,193
Salaries		111,395	104,664
Security		1,313,968	1,181,427
Staff welfare		-	286
Subscriptions		1,824	2,194
Telephone and fax		9,410	10,322
<b>Total expenditure</b>		<u>1,662,468</u>	<u>1,617,391</u>
Surplus		<u>(92,650)</u>	<u>(95,605)</u>
Transfer from garden improvement reserve		-	150,000
Net operating surplus for the year		<u>(92,650)</u>	<u>54,395</u>
Accumulated funds at beginning of year		<u>409,843</u>	<u>355,448</u>
Accumulated funds at end of year		<u><u>317,193</u></u>	<u><u>409,843</u></u>

**SUNDOWNERS RESIDENTS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
at 28 February 2010

## 1 Basis of preparation

The following are the principal accounting policies of the Association which are consistent in all material respects with those applied in the previous year, except as otherwise indicated. The financial statements are prepared under the historical cost convention in accordance with the South African statement of generally accepted accounting practice.

### 1.1 Revenue recognition

Revenue comprising levies charged to members is recognised as income in the period it is received.

Interest received is recognised as income on receipt.

### 1.2 Fixed assets

All minor assets, that may be considered to be of a capital nature are written off as expenses in the year incurred. Major expenses are capitalised and depreciated as stated below.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of assets are as follows:

- Booms	20 %
- Computer equipment	33.3 %

## 2. Fixed assets

	2010			2009		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Booms	11,892	8,324	3,568	19,818	13,872	5,946
Computer equipment	4,719	3,144	1,575	4,719	1,573	3,146
	<u>16,611</u>	<u>11,468</u>	<u>5,143</u>	<u>24,537</u>	<u>15,445</u>	<u>9,092</u>

The carrying amounts of assets can be reconciled as follows:

2010	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
Booms	5,946	-	(2,378)	3,568
Computer equipment	3,146	-	(1,571)	1,575
	<u>9,092</u>		<u>(3,949)</u>	<u>5,143</u>

**SUNDOWNERS RESIDENTS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
at 28 February 2010**

	2010 R	2009 R
<b>3. Garden improvement reserve</b>		
Balance at beginning of year	-	150,000
Movement during year:		
- Transfer (to)/from income statement	-	<u>(150,000)</u>
<b>4. Accounts payable</b>		
Audit fee	2,969	2,700
VAT	-	<u>893</u>
	<u>2,969</u>	<u>3,593</u>

**5. Taxation**

No provision has been made for 2010 taxation as the association has no taxable income.

Sundowners Residents Association

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Year End: 28 February 2010

Adjusting Journal entries

Date: 2009/03/01 To 2010/02/28

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
1	2010/02/28	Dep-Owned-Office equip	529			2,378.00		
1	2010/02/28	Dep-Owned-Computer equip	538			1,571.00		
1	2010/02/28	Office Equipment-Owned-Acc. Dep	659				2,378.00	
1	2010/02/28	Computer Equipment-Owned-Acc. Dep	656				1,571.00	
Depreciation for the year								
<hr/>								
2	2010/02/28	Repairs & Maintenance	425			69,000.00		
2	2010/02/28	Resined Income - R.O.Y	510				150,000.00	
2	2010/02/28	Sundry Creditors	815			150,000.00		
2	2010/02/28	Sundry Debtors	819				82,500.00	
Correcting opening balances								
<hr/>								
						230,849.00	236,849.00	
<hr/>								
Net Income (Loss)			-92,650.48					

**Sundowners Residents Association**

Year End: 28 February 2010

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Final trial balance

Account	Prelim	Adj's	Reclass	RepAnnotation	Rep 02/09	%Chg	Lead Sheets
100 Lovice	-1,295,099.59	0.00	0.00	-1,295,099.59	-1,236,563.48	5	R210
101 Returned debit orders	37,317.15	0.00	0.00	37,317.15	29,881.82	25	R210
103 Complexes	64,278.10	0.00	0.00	-64,278.10	-62,805.29	-27	R210
104 FFT's	-214,989.78	0.00	0.00	-214,989.78	-179,927.73	19	R210
160 Interest Received	-33,715.71	0.00	0.00	-33,715.71	-46,570.86	-28	N200 1
300 Accounting Fees	25,942.01	0.00	0.00	25,942.01	23,590.00	10	R220
303 Advertising & Promotions	1,875.00	0.00	0.00	1,875.00	12,322.79	-85	R220
304 Ablution	20,857.38	0.00	0.00	20,857.38	19,604.21	6	R220
305 Auditors Remun. - Fees	2,970.00	0.00	0.00	2,970.00	2,700.00	10	R220
310 Bureau/outs fees	6,627.89	0.00	0.00	6,627.89	6,119.08	8	R220
312 Bank Charges	3,634.90	0.00	0.00	3,634.90	3,574.82	2	R220
315 Cleaning	948.51	0.00	0.00	948.51	0.00	0	R210
317 Commission Paid	150.00	0.00	0.00	150.00	150.00	0	R220
320 Computer Exps	7,753.05	0.00	0.00	7,753.05	307.60	2421	R220
325 Dep-Owned-Office equip	0.00	2,378.00	0.00	2,378.00	2,973.00	-20	M210 1, 4
326 Dep-Owned-Computer equip	0.00	1,571.00	0.00	1,571.00	1,575.00	0	M210 1, 4
342 Donations	1,000.00	0.00	0.00	1,000.00	2,000.00	-50	R220
345 Electricity & Water	5,759.63	0.00	0.00	5,759.63	7,330.36	-21	R220
348 Entertainment	4,545.42	0.00	0.00	4,645.42	4,877.65	-6	R220
358 General Expenses	896.25	0.00	0.00	896.25	674.24	33	R220
375 Insurance	3,700.65	0.00	0.00	3,700.65	3,635.89	3	R220
380 Legal Expenses	5,000.00	0.00	0.00	5,000.00	0.00	0	R220
410 Printing & Stationery	5,478.94	0.00	0.00	5,478.94	2,907.27	88	R220
420 Rent - Premises	0.00	0.00	0.00	0.00	150,000.00	-100	M240
425 Repairs & Maintenance	42,619.16	63,000.00	0.00	125,619.16	74,193.08	69	M240
430 Salaries & Wages	108,582.99	0.00	0.00	108,582.99	101,127.60	7	G230
435 Security	1,313,968.44	0.00	0.00	1,313,968.44	1,181,427.16	11	R220
440 Staff Training & Welfare	0.00	0.00	0.00	0.00	235.89	-100	R220
445 Subscriptions	1,823.88	0.00	0.00	1,823.88	2,194.46	-17	R220
450 Telephone & Fax	9,409.67	0.00	0.00	9,409.67	10,322.40	-9	R220
468 HIF and WCA	2,811.76	0.00	0.00	2,811.76	3,538.74	-20	G230
475 Extraordinary Items	0.00	0.00	0.00	0.00	-150,000.00	-100	R210
510 Retained Income - BOY	259,842.04	-150,000.00	0.00	-409,842.04	355,447.95	15	J350
605 Office Equipment-Owned-Cost	11,892.00	0.00	0.00	11,892.00	19,818.00	-40	M300
606 Computer Equipment Owned-C	4,719.00	0.00	0.00	4,719.00	4,719.00	0	M300
656 Office Equipment-Owned-Acc. I	-5,846.00	2,378.00	0.00	-8,324.00	-13,872.00	-40	M300
658 Computer Equipment-Owned/A	-1,573.00	-1,571.00	0.00	-3,144.00	-1,573.00	100	M300
720 Bank Account 1	23,547.43	0.00	0.00	23,547.43	23,346.28	1	Q300 1
771 Bank Account 2	312,087.63	0.00	0.00	312,087.63	408,371.92	-24	Q300 1
780 Petty Cash	381.65	0.00	0.00	381.65	0.00	0	Q300 1
810 Accruals	-2,970.00	0.00	0.00	-2,970.00	-2,700.00	10	F300 2
818 Sundry Creditors	-67,000.00	67,000.00	0.00	0.00	0.00	0	F300 3
880 Var Control	5,377.10	0.00	0.00	6,377.10	-892.89	-614	F300 1
680 Receivable - Revenue - Tax	-27,375.25	0.00	0.00	-27,375.25	-27,375.25	0	S300
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	
<b>Net Income (Loss)</b>	<b>-5,701.48</b>			<b>-92,650.48</b>	<b>54,394.09</b>	<b>-270</b>	