

**SUNDOWNERS RESIDENTS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2011**

A R Drew

Chartered Accountant (S.A.)

Registered Auditor

Issued 05 April 2011

**SUNDOWNERS RESIDENTS ASSOCIATION
FINANCIAL STATEMENTS
for the year ended 28 February 2011**

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 05 April 2011.

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.

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 2011.

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 2011 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
05 April 2011**

**SUNDOWNERS RESIDENTS ASSOCIATION
REPORT OF THE CHAIRPERSON
for the year ended 28 February 2011**

The chairperson presents the report for the year ended 28 February 2011. 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 2011

	Notes	2011 R	2010 R
Assets			
Non-current assets			
Fixed assets	2	5,376	5,143
Current assets			
Accounts receivable		46,038	6,377
Bank balances		333,599	336,017
		<u>379,637</u>	<u>342,394</u>
Total assets		<u><u>385,013</u></u>	<u><u>347,537</u></u>
Reserves and liabilities			
Reserves			
Accumulated funds		354,637	317,192
Current liabilities			
Taxation		27,375	27,375
Accounts payable	3	3,001	2,970
		<u>30,376</u>	<u>30,345</u>
Total reserves and liabilities		<u><u>385,013</u></u>	<u><u>347,537</u></u>

SUNDOWNERS RESIDENTS ASSOCIATION
LEVY STATEMENT
for the year ended 28 February 2011

This is the start of the detailed income statement

	Note	2011 R	2010 R
Income			
Interest received		15,791	33,716
Levies		1,833,427	1,536,102
Sundry income		1,450	-
		<u>-</u>	<u>-</u>
		1,850,668	1,569,818
		<u>-</u>	<u>-</u>
Total income		1,850,668	1,569,818
Expenditure			
Accounting fees		28,540	25,942
Ablution		21,147	20,867
Advertising		8,169	1,875
Auditors' remuneration		2,635	2,970
Bureafocus fees		7,216	6,628
Bank charges		3,486	3,635
Commission paid		2,950	150
Computer expenses		6,083	7,753
Depreciation		4,417	3,949
Donations		-	1,000
Electricity and water		8,807	5,760
Entertainment		4,544	4,645
General expenses		4,210	898
Insurance		3,925	3,701
Legal expenses		33,140	5,000
Office expenses		1,757	-
Printing and stationery		317	5,479
Annual duty		280	-
Repairs and maintenance		27,030	125,619
Salaries		121,788	111,395
Security		1,509,007	1,313,968
Staff welfare		1,018	-
Subscriptions		1,824	1,824
Telephone and fax		10,933	9,410
		<u>-</u>	<u>-</u>
Total expenditure		1,813,223	1,662,468
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Surplus		37,445	(92,650)
Accumulated funds at beginning of year		<u>317,192</u>	<u>409,842</u>

**SUNDOWNERS RESIDENTS ASSOCIATION
LEVY STATEMENT
for the year ended 28 February 2011**

Accumulated funds at end of year

354,637

317,192

**SUNDOWNERS RESIDENTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011**

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:

- Furniture and fittings	10 %
- Booms	20 %
- Computer equipment	33.3 %

2. Fixed assets

	Cost / valuation	2011	Carrying value	Cost / valuation	2010	Carrying value
<i>Owned assets</i>						
Furniture and fittings	4,650	465	4,185	-	-	-
Booms	11,892	10,702	1,190	11,892	8,324	3,568
Computer equipment	4,719	4,718	1	4,719	3,144	1,575
	21,261	15,885	5,376	16,611	11,468	5,143

The carrying amounts of assets can be reconciled as follows:

2011	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				

**SUNDOWNERS RESIDENTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011**

Furniture and fittings	-	4,650	(465)	4,185
Booms	3,568	-	(2,378)	1,190
Computer equipment	1,575	-	(1,574)	1

5,143	4,650	(4,417)	5,376
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**SUNDOWNERS RESIDENTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011**

	2011	2010
	R	R
3. Accounts payable		
Audit fee	<u>3,000</u>	<u>2,969</u>
4. Taxation		

No provision has been made for 2011 taxation as the association has no taxable income.