

**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**BRANDT STOLTZ & CO.**

**CHARTERED ACCOUNTANTS (S.A.)**

**GRAHAMSTOWN**

**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The reports and statements set out below comprise the annual financial statements presented by the Trustees to the section owners:

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**KOWIE BEACH BODY CORPORATE**  
(Sectional Scheme Number SS2/1975)

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**GENERAL INFORMATION**

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	Body Corporate
<b>Trustees</b>	D Rees F Cannon G Bezuidenhout H Truter K Venables R Steenkamp
<b>Business Address</b>	ERF 1852 Port Alfred 6170
<b>Independent Auditors</b>	Brandt Stoltz & Co. 51A Hill Street Grahamstown 6139
<b>Managing Agents</b>	Harcourts
<b>Sectional Scheme Number</b>	SS2/1975

# BRANDT STOLTZ & CO.

Chartered Accountants (S.A.)

Registered Auditors

3.

51A Hill Street, Makhanda, 6139, South Africa  
P.O. Box 76, Makhanda, 6140, South Africa

Telephone: 046 622 7304

Fax: 046 636 1027

E-mail: admin@brandtstoltz.co.za

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF KOWIE BEACH BODY CORPORATE

#### Opinion

We have audited the financial statements of Kowie Beach Body Corporate set out on pages 5 to 12, which comprise the statement of financial position as at 30 September 2022, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of Kowie Beach Body Corporate for the year ended 30 September 2022 are prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements.

#### 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 Financial Statements* section of our report. We are independent of the Body Corporate 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Body Corporate's own accounting policies to satisfy the financial information needs of the Body Corporate's members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 2 for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Body Corporate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Partners: Adrian M. Stoltz CA (SA) RA  
Assisted by: Chengetai Chakurungama BCom, CTA,

IRBA practice number: 902357



**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 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 association's internal control.
- \* Conclude on the appropriateness of the Trustees' 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 body corporate'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 Body Corporate to cease to continue as a going concern.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

We communicate with the Trustees 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.

.....  
**A.M. STOLTZ**  
**PARTNER – BRANDT STOLTZ & CO.**  
Chartered Accountant (S.A.)  
Registered Auditor  
Grahamstown

.....  
**DATE**

**KOWIE BEACH BODY CORPORATE  
(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**TRUSTEES' RESPONSIBILITY AND APPROVAL**

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate as at the end of the financial year and the results of its operations for the year then ended, in conformity with the basis of accounting described in note 2. The external auditor is engaged to express an independent opinion on the financial statements.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set 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. The body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. While operating risk cannot be fully eliminated, the body corporate endeavours to minimize 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 annual 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.

The financial statements have been audited by the independent auditing firm, Brandt Stoltz & Co., who have been given unrestricted access to all financial records and related data. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 3 to 4.

The annual financial statements were approved by the trustees and were signed on their behalf by:

.....  
D Rees

.....  
F Cannon

**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**STATEMENT OF FINANCIAL POSITION**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

		2022	2021
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-Current Assets</b>		17 504	30 632
Property, plant and equipment	3	17 504	30 632
<b>Current Assets</b>		453 428	359 746
Trade and other receivables	4	33 683	4 860
Cash and cash equivalents	5	419 745	354 886
<b>TOTAL ASSETS</b>		<b>470 932</b>	<b>390 378</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		317 397	349 461
Maintenance reserve fund		218 193	104 534
Retained earnings		99 204	244 927
<b>Current Liabilities</b>		153 535	40 917
Trade and other payables	6	153 535	40 917
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>470 932</b>	<b>390 378</b>



**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

	2022	2021
	<b>Notes</b>	
<b>Revenue</b>		
Levies income	421 128	411 198
<b>Other Income</b>	19 526	21 125
Insurance claim	-	6 830
Investment income	13 477	8 446
CSOS levy	6 049	5 849
	<b>440 654</b>	<b>432 323</b>
<b>Expenditure</b>	(472 718)	(524 126)
Accounting fees	-	1 323
Auditor's remuneration	6 325	10 211
Bank charges	1 858	2 819
Cleaning	-	10 000
CSOS levy	6 049	5 849
Depreciation – Tangible assets	13 128	13 128
Garden maintenance	41 250	47 150
Insurance	35 772	34 291
Legal fees	-	230
Management fees	44 139	41 643
Repairs and maintenance	306 845	329 381
Security	5 590	20 664
Valuation fees / Consulting	3 500	2 200
Water, electricity and sewerage	8 262	5 237
	<b>(32 064)</b>	<b>(91 803)</b>



**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**STATEMENT OF CHANGES IN EQUITY**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

	Retained Earnings	Maintenance Reserve fund	Total
<b>Balance at 30 September 2020</b>	<b>353 761</b>	<b>87 503</b>	<b>441 264</b>
<b>Total comprehensive income for the year</b>			
Deficit for the year	(91 803)	-	(91 803)
Interest	(7 428)	7 428	-
Contributions	(275 503)	275 503	-
Funds utilised	265 900	(265 900)	-
<b>Balance at 30 September 2021</b>	<b>244 927</b>	<b>104 534</b>	<b>349 461</b>
<b>Total comprehensive income for the year</b>			
Deficit for the year	(32 064)	-	(32 064)
Interest	(11 659)	11 659	-
Contributions	(270 000)	270 000	-
Funds utilised	168 000	(168 000)	-
<b>Balance at 30 September 2022</b>	<b>99 204</b>	<b>218 193</b>	<b>317 397</b>

**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**ACCOUNTING POLICIES**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

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**1. GENERAL INFORMATION**

Kowie Beach Body Corporate is a body corporate sectional scheme in South Africa. The principal activities are body corporate.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These annual financial statements have been prepared in accordance with the accounting policies 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.

**2.1 Revenue recognition**

The ordinary levies receivable are accounted for on a straight-line basis over the financial year and decided amongst the trustees on a participation quota basis. The annual ordinary levies are agreed and approved by the trustees at the body corporate's annual general meeting. Interest on arrear levy contributions is recognised in terms of prescribed management rule 21(3)c).

**2.1.1 Interest income**

Interest income is recognised using the effective interest rate method.

**2.2 Income taxes**

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

**2.3 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:

Land and buildings	20.00%
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**KOWIE BEACH BODY CORPORATE**  
**(Sectional Scheme Number SS2/1975)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**ACCOUNTING POLICIES**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

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**2.4 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 body corporate will not be able to collect all amounts due according to the original terms of the receivables.

**2.5 Cash and cash equivalents**

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

**2.6 Trade and other payables**

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

**2.7 Maintenance reserve fund**

The maintenance reserve fund is a fund established to cover the cost of future maintenance and the repairs to the body corporate's common property as requested by section 3 of the Sectional Titles Schemes Management Act.

**KOWIE BEACH BODY CORPORATE**  
(Sectional Scheme Number SS2/1975)

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

*(All amounts South African Rands ('R'), unless otherwise indicated)*

**3. PROPERTY, PLANT AND EQUIPMENT**

	Plant and Equipment	Total
Carrying amount at 30 September 2021	30 632	30 632
Cost	65 640	65 640
Accumulated depreciation	(35 008)	(35 008)
Depreciation	(13 128)	(13 128)
Additions	-	-
Disposals	-	-
Carrying amount at 30 September 2022	<b>17 504</b>	<b>17 504</b>
Cost	65 640	65 640
Accumulated depreciation	(48 136)	(48 136)
	<b>2022</b>	<b>2021</b>

**4. TRADE AND OTHER RECEIVABLES**

Sundry debtors	2 770	2 288
Prepayments and deposits	257	257
Levies in arrear	30 656	2 315
	<b>33 683</b>	<b>4 860</b>

**5. CASH AND CASH EQUIVALENTS**

<b>Favourable cash balances</b>		
FNB current account	29 659	78 453
FNB Money Market	390 086	276 433
	<b>419 745</b>	<b>354 886</b>

**6. TRADE AND OTHER PAYABLES**

Sundry creditors	124 448	12 681
Levies in advance	29 087	28 236
	<b>153 535</b>	<b>40 917</b>

**7. INCOME TAX EXPENSE**

No provision has been made for taxation as the Body Corporate is not subject to taxation in the current year as its passive income amounts to less than R50 000.

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**KOWIE BEACH BODY CORPORATE**  
(Sectional Scheme Number SS2/1975)

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
**DETAILED SCHEDULE OF LEVIES RECEIVED**  
(All amounts South African Rands ("R"), unless otherwise indicated)

Unit	Unit Owners	Opening Balance	Levies	CSOS	Interest & Other Charges	Receipts	Closing Balance
10	Aitchison & Collins	(593)	17 760	236	-	(19 801)	(2 398)
11	Bezuidenhout, Mr Gert	(1 868)	3 501	49	15	(1 697)	-
4	De Vries, MJ	(1 787)	21 119	305	28	(23 240)	(3 575)
16	Campher & De Jager	(1 942)	22 930	340	31	(23 384)	(2 025)
6	Cannon, Fred	(5 253)	17 760	236	-	(21 101)	(8 358)
7	Carmel Trust	(1 496)	1 480	16	-	-	-
7	Cloete JM & MD	-	16 267	216	13	(16 496)	-
8	Daneel, Mr Richard	-	10 574	141	113	(10 828)	-
20	Kruger, Mrs Betsy	(2 213)	16 547	242	35	(15 102)	(491)
Cabana 5	Lloyd B & A	(1 785)	21 120	305	-	(21 425)	(1 785)
12	Makwetu, T	(36)	22 932	340	72	(21 921)	1 387
2	Malise, Hollisizwe	1 847	21 119	305	1 058	(4 000)	20 329
19	McGuinness M	-	3 143	47	21	(1 253)	1 958
9	Murray Lakin Pons Keeton	-	1 862	25	-	(1 887)	-
11	Naiker CJN	-	18 599	270	16	(17 001)	1 884
3	Nettelton, Lisa	(1 787)	21 119	305	14	(19 651)	-
18	Price, Mr DM	20	22 930	340	79	(23 369)	-
17	Radloff, Mrs SE	(5 073)	22 930	340	31	(23 301)	(5 073)
13	Rohde Mrs I	-	687	12	2	(701)	-
15 & 26	Ruiters, RE	(1 939)	22 932	340	-	(23 272)	(1 939)
20	Smit, Mr HPJ (Krus)	448	5 518	82	181	(3 000)	3 229
13	Southey MD & P	-	21 379	311	49	(21 739)	-
8	Spencer DR	-	7 185	98	-	(7 285)	(2)
Cabana 9	Steenkamp, Renee	(1 427)	15 898	211	25	(14 707)	-
19	Truter, H	-	19 788	292	205	(20 285)	-
Cabana 14	Unallocated deposit	-	-	-	-	(1 500)	(1 500)
16	Venables, KM & SA	-	22 931	340	46	(25 259)	(1 942)
1	Watters, Chris & Joanne	-	-	-	-	-	-
	Dew Property Invest (Pty) Ltd	(1 035)	21 118	305	81	(18 600)	1 869
		<b>(25 919)</b>	<b>421 128</b>	<b>6 049</b>	<b>2 115</b>	<b>(401 805)</b>	<b>1 568</b>