

**THE BODY CORPORATE OF PALM SPRINGS
(Scheme number SS 392/2008)
Annual Financial Statements
for the year ended 31 July 2020**

The Body Corporate of Palm Springs

(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Index

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

Index	Page
Independent Auditor's Report	2 - 4
Trustees' Responsibilities and Approval	5
Trustees' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12
Notes to the Annual Financial Statements	13 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	17

Independent Auditor's Report

To the Members of The Body Corporate of Palm Springs

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of The Body Corporate of Palm Springs (the body corporate) set out on pages 8 to 16, which comprise the statement of financial position as at 31 July 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of The Body Corporate of Palm Springs for the year ended 31 July 2020 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the body corporate in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 1 to the annual financial statements, which describes the basis of accounting. The annual 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 owners. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), which we obtained prior to the date of this report, and the supplementary information as set out on page 17. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 unless the trustees either intend to liquidate the body corporate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 body corporate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 annual 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.

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.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

In accordance with the Management Rules of the body corporate and in terms of Regulation 6 of the Sectional Titles Schemes Management Regulations 2016, Rules 26(5)(c)(ii), (iii) and (iv), we report as follows:

Compliance findings with accounting requirements (Rule 26(5)(c)(ii))

The trustees are responsible to ensure that the body corporate complies with management rules 21, 24 and 26 adopted in terms of the Sectional Title Schemes Management Regulations 2016, which includes the implementation of systems, processes and internal controls such internal control as the trustees determine is necessary.

If during the course of our audit of the annual financial statements of the body corporate we become aware of any instances of non-compliance with the accounting requirements set out in management rules 21, 24 and 26 (the Rules), we are required to report our findings. We identified the following instances of non-compliance with the Rules:

- Rule 24(1) as the Administrative Fund was used to fund items on the maintenance, repair and replacement plan;
- Rule 24(3)(a) as the part of the annual levies which was designated for the Reserve Fund was not all transferred from the Administrative Fund to the Reserve Fund.

Management of the body corporate's financial affairs and funds (Rules 26(5)(c)(iii) and (iv))

In terms of relevant International Standards on Auditing we did not conduct an engagement relating to whether the financial records of the body corporate have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud, and whether the financial affairs of the body corporate appear to be effectively managed, as required by Rules 26(5)(c)(iii) and (iv). We have not gathered evidence to express any assurance opinion or conclusion thereon.



Cecil Kilpin & Co
Chartered Accountants (SA)
Registered Auditors
Per Partner: Sidney Schonegevel

Cape Town

Date: 15/11/2021

The Body Corporate of Palm Springs

(Scheme number: SS 392/2008)

Annual Financial Statements for the year ended 31 July 2020

Trustees' Responsibilities and Approval

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 and cash flows for the period then ended, in conformity with the basis of accounting described in Note 1.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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 board 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 body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the body corporate's cash flow forecast for the year to 31 July 2021 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are aware of the legislation that was introduced by the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) on 7 October 2016. This legislation requires that the body corporate maintain a reserve fund of not less than 25% of the previous year's operational levies. In order to achieve this, the trustees will include an adjustment in the budgets for 2021 and 2022 to comply with Regulation 2(a) and 2(c).

The external auditors are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of trustees and were signed on its behalf by:



Trustee



Trustee

Date:

15/11/2021

The Body Corporate of Palm Springs

(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Trustees' Report

The trustees submit their report for the year ended 31 July 2020.

1. Review of activities

Main business and operations

The body corporate is engaged in governing the property and operates principally in South Africa.

The controlling body was established to administer the common property of the Sectional Scheme known as Palm Springs, situated at 2A Wemyss Street, Brooklyn, being Erf number 172886, for which a Sectional Title Register was opened.

All expenses applicable to the common property and administration are recovered from the various section owners by means of a monthly levy in terms of the rules of the body corporate and are in accordance with the participation quota applicable to each section.

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 require any further comment.

2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

3. Contributions

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 194,038 (2019: R 1,338,329).

4. Trustees

The trustees of the body corporate during the year and to the date of this report are as follows:

Name

Justin Hardcastle
Charles Gottschalk
Dirk Kemp
Janet Kemp
Sinethamba Nkozombi
Portia Manzini
Frederic Landolt-Tessa (Appointed 20 March 2020)
Marvi Edgar (Resigned 3 March 2020)

5. Managing Agent

The managing agent of the body corporate is Ripple Effect 1112 BK/CC of:

Business address

13 Malmesbury Road
Welgelegen
7500

Postal address

PO Box 362
Goodwood
7459

6. Management and conduct rules

There were no amendments or additions to the management and conduct rules.

7. Estimates of income and expenditure for the 2021 financial year

A budget for the next financial year will be presented for approval at the forthcoming annual general meeting.

8. Insured replacement values

A schedule of the replacement values of all the units will be tabled for approval at the forthcoming annual general meeting.

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Trustees' Report

9. Auditors

Cecil Kilpin & Co was the auditor for the year under review and their re-appointment is dependent on a resolution taken to that effect by the section owners at the forthcoming annual general meeting.

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Statement of Financial Position as at 31 July 2020

	Note(s)	2020 R	2019 R
Assets			
Current Assets			
Trade and other receivables	2	488,012	398,135
Cash and cash equivalents	3	4,110,256	3,905,797
		4,598,268	4,303,932
Total Assets		4,598,268	4,303,932
Equity and Liabilities			
Members' funds and reserves			
Maintenance reserve	4	2,273,512	2,407,521
Accumulated surplus		1,545,664	1,217,617
		3,819,176	3,625,138
Liabilities			
Current Liabilities			
Trade and other payables	5	654,671	516,103
Current tax payable		124,421	162,691
		779,092	678,794
Total Equity and Liabilities		4,598,268	4,303,932

The Body Corporate of Palm Springs
 (Scheme number: SS 392/2008)
 Annual Financial Statements for the year ended 31 July 2020

Statement of Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue	6	6,925,324	6,743,389
Other income		956,799	980,205
Operating expenses		(7,834,198)	(6,509,548)
Operating surplus		47,925	1,214,046
Investment revenue	7	225,228	198,698
Finance costs		(163)	-
Surplus before taxation		272,990	1,412,744
Taxation	12	(78,952)	(74,415)
Surplus for the year		194,038	1,338,329

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Statement of Changes in Equity

	Maintenance reserve fund	Accumulated surplus	Total members' funds and reserves
	R	R	R
Balance at 01 August 2018	2,024,349	262,460	2,286,809
Surplus / Deficit for the year (before interest and transfers)	(647,886)	1,787,516	1,139,630
Interest allocation to Maintenance Reserve Fund and Admin Fund	131,058	67,641	198,699
Total comprehensive income for the year	(516,828)	1,855,157	1,338,329
Transfer to maintenance reserve fund	900,000	(900,000)	-
Total changes	900,000	(900,000)	-
Balance at 01 August 2019	2,407,521	1,217,617	3,625,138
Surplus / Deficit for the year (before interest and transfers)	(1,268,655)	1,237,466	(31,189)
Interest allocation to Maintenance Reserve Fund and Admin Fund	134,646	90,581	225,227
Total comprehensive income for the year	(1,134,009)	1,328,047	194,038
Transfer to maintenance reserve fund	1,000,000	(1,000,000)	-
Total changes	1,000,000	(1,000,000)	-
Balance at 31 July 2020	2,273,512	1,545,664	3,819,176

Note(s)

4

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Statement of Cash Flows

	Note(s)	2020 R	2019 R
Cash flows from operating activities			
Cash generated from operations	13	96,616	1,250,391
Interest income		225,228	198,698
Finance costs		(163)	-
Tax paid	14	(117,222)	-
Net cash from operating activities		204,459	1,449,089
Total cash movement for the year		204,459	1,449,089
Cash at the beginning of the year		3,905,797	2,456,713
Total cash at end of the year	3	4,110,256	3,905,802

The Body Corporate of Palm Springs

(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Trade and other receivables, loans and trade and other payables

Trade and other receivables, loans and trade and other payables are measured at cost less any impairment. At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

In terms of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) a reserve fund is maintained for the purposes of future maintenance and repairs to common property.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods 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.

Tax expenses

The body corporate is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, levy income and recoveries are fully exempt. All other income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less a portion of deductible administrative expenses.

1.3 Impairment of assets

The body corporate assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the body corporate estimates the recoverable amount of the asset.

1.4 Provisions and contingencies

Provisions are recognised when the body corporate has an obligation at the reporting date as a result of a past event; it is probable that the body corporate will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.5 Revenue

The ordinary levies are accounted for on a straight-line basis over the financial year and divided amongst the section owners on a participation quota basis. The annual ordinary levies are agreed and approved by the members at the body corporate's annual general meeting.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
2. Trade and other receivables		
Levies in arrears	488,012	395,061
Debtors for legal fees recoveries due	-	3,074
	488,012	398,135

Ageing of levies

	2020				2019	
	Current	30 days	60 days	90 days +	Total	Total
Levies in arrears	106,710	79,126	53,826	248,350	488,012	395,061

The detailed age analysis of levies in arrears is available for inspection at the registered office of the body corporate.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Administrative Fund	1,819,817	1,498,437
Maintenance Reserve Fund	2,279,720	2,413,729
Petty cash	10,719	(6,369)
	4,110,256	3,905,797

Reconciliation of Reserve Fund

Major capital items	Amount in the reserve at year end	Projected cost over 10 years	Provision made to date	Estimated balance required within 10 years
Electrical systems	3,407	27,500	12.39 %	(24,093)
Painting and waterproofing	2,081,859	16,802,300	12.39 %	(14,720,441)
Lifts	4,671	37,700	12.39 %	(33,029)
Security systems	11,610	93,700	12.39 %	(82,090)
Borehole	12,390	100,000	12.39 %	(87,610)
Pumps and pressure management	32,710	264,000	12.39 %	(231,290)
Access and communication systems	67,082	541,400	12.39 %	(474,318)
DSTV systems	4,931	39,800	12.39 %	(34,869)
Roofs	14,745	119,000	12.39 %	(104,255)
Swimming pool	40,107	323,700	12.39 %	(283,593)
	2,273,512	18,349,100		(16,075,588)

4. Movement on Maintenance Reserve Fund

Opening balance	2,407,521	2,024,349
Contributions for the year	1,000,000	900,000
Interest received (Note 7)	134,646	131,058
Maintenance, Repairs & Replacements funded in Year (Note 11)	(1,268,655)	(647,886)
	2,273,512	2,407,521

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
5. Trade and other payables		
Accrued expenses	249,088	179,595
Levies received in advance	328,426	285,898
Deposits received	-	1,500
Staff savings	72,080	44,033
Sundry creditors	5,077	5,077
	654,671	516,103

Accrued expenses - age analysis by creditor

	2020				2019	
	Current	30 days	60 days	90 days +	Total	Total
Better Plumbing	549	-	-	-	549	-
CSOS	6,759	-	-	-	6,759	6,365
CTC Finance	-	-	-	-	-	360
Cecil Kilpin & Co	20,269	-	-	-	20,269	17,434
Chennells Brummers	2,760	-	-	-	2,760	-
City of Cape Town	121,191	-	-	-	121,191	117,244
Commercial and Industrial Cleaning	17,003	-	-	-	17,003	-
GH Glass	16,919	-	-	-	16,919	-
loecor	800	-	-	-	800	-
P van Tonder	7,478	-	-	-	7,478	-
PEC Utility	36,000	-	-	-	36,000	29,925
Ripple Effect	-	-	-	-	-	2,729
SA Technologies	8,737	-	-	-	8,737	-
South African Revenue Services	-	-	-	-	-	5,536
Telkom	3,706	-	-	-	3,706	-
WAC Lift Consulting Engineers	-	6,109	-	-	6,109	-
WH Computers	805	-	-	-	805	-
Total	242,976	6,109	-	-	249,085	179,593

6. Revenue

Administrative fund levies	6,845,794	6,667,025
CSOS levies	79,530	76,364
	6,925,324	6,743,389

7. Investment revenue

Interest revenue		
Bank	178,780	159,204
Overdue owners' accounts	46,448	39,494
	225,228	198,698

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
8. Auditor's remuneration		
Fees	19,205	16,445
Adjustment for previous year	2,369	1,145
Expenses	1,064	-
	22,638	17,590
9. Insurance policy details		
Buildings insurance		
Insurance company	Mutual and Federal Risk Financing	
Policy Number	ARDST/642187	
Expiry date	31/08/2020	
Payment basis	Monthly	
Total replacement value	R 446,301,135	
Trustee indemnity insurance		
Insurance company	Mutual and Federal Risk Financing	
Policy Number	ARDST/642187	
Expiry date	31/08/2020	
Payment basis	Monthly	
Total sum insured	R 5,000,000	
10. Repairs and maintenance - Administrative Fund		
Building	63,578	37,538
Cleaning materials	156,175	45,082
Doors and windows	57,033	12,628
Electrical	84,061	138,559
Fence	-	36,982
Fire equipment servicing	38,195	27,310
Garden equipment	-	16,733
Garden maintenance	60,301	89,183
Garden plants	2,500	-
General	180,378	141,252
Insurance claims	16,575	-
Keys, locks and remotes	119	986
Life savers	52,832	-
Lift	10,358	-
Other projects	113,328	110,565
Pest control	21,697	24,005
Plumbing	109,254	56,781
Pool	30,650	56,945
Refuse bags	-	31,600
Satellite	82,532	41,122
Security	174,008	146,671
Special projects	154,418	26,540
Water meters	-	156,152
Window cleaning	-	20,700
	1,407,992	1,217,334

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
11. Repairs and maintenance - Reserve Fund		
Lift repairs	-	20,266
Painting and waterproofing	1,268,655	41,716
Pool refurbishment	-	143,500
Pumps and pressure management	-	422,912
Tiling	-	19,492
	1,268,655	647,886
12. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	79,010	74,415
South African normal tax - prior period (over) under provision	(58)	-
	78,952	74,415
<p>The body corporate is subject to tax at the company rate of 28% on the net investment income, in excess of R 50,000, in terms of Section 10(1)(e) of the Income Tax Act.</p> <p>The body corporate's income tax number is 9744309155.</p>		
13. Cash generated from operations		
Surplus before taxation	272,990	1,412,744
Adjustments for:		
Interest received	(225,228)	(198,698)
Finance costs	163	-
Changes in working capital:		
Trade and other receivables	(89,877)	90,163
Trade and other payables	138,568	(53,818)
	96,616	1,250,391
14. Tax paid		
Balance at beginning of the year	(162,691)	(88,276)
Current tax for the year recognised in loss	(78,952)	(74,415)
Balance at end of the year	124,421	162,691
	(117,222)	-
15. Related parties		
Relationships		
Becker & Associates	M Kemp - Son of owners and trustees	
Legal fees paid to related party		
Becker & Associates	11,425	17,068

The Body Corporate of Palm Springs
(Scheme number: SS 392/2008)
Annual Financial Statements for the year ended 31 July 2020

Detailed Income Statement

	Note(s)	2020 R	2019 R
Revenue			
Administrative fund levies		6,845,794	6,667,025
CSOS levies		79,530	76,364
	6	6,925,324	6,743,389
Other income			
Club hire		3,400	1,600
Fines - Owners		30,914	23,000
Interest received	7	225,228	198,698
Municipal sundry income		568	-
Recoveries - Prepaid water		847,794	861,903
Rental income - Creche		72,473	93,702
Rental income - Tuck shop		1,650	-
		1,182,027	1,178,903
Operating expenses			
Accounting fees		2,279	3,864
Auditors remuneration	8	22,638	17,590
Bank charges		17,633	15,109
CSOS levies		79,529	76,364
Cleaning and gardening		469,247	444,328
Computer expenses		51,037	-
Electricity		221,296	216,641
Employee costs		631,305	560,451
Insurance	9	404,098	367,770
Legal and professional fees (net of recoveries)		16,089	17,400
Lift services		64,878	62,314
Management fees		462,717	431,171
Meter reading		36,637	-
Printing and stationery		38,095	30,272
Refuse/Waste control		216,568	232,019
Repairs and maintenance - Administrative Fund	10	1,407,992	1,217,334
Repairs and maintenance - Reserve Fund	11	1,268,655	647,886
Security		1,409,136	1,195,536
Staff welfare		-	7,465
Telephone and fax		77,496	51,022
Water and sewerage		936,873	915,012
		7,834,198	6,509,548
Operating surplus			
		273,153	1,412,744
Finance costs		(163)	-
Surplus before taxation			
		272,990	1,412,744
Taxation	12	(78,952)	(74,415)
Surplus for the year			
		194,038	1,338,329