La Veritas Home Owners' Association

Annual Financial Statements
for the year ended 29 February 2024

Contents

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

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 home owners' association 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 International Financial Reporting Standard for Small and Medium-sized Entities.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees 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 home owners' association and all employees are required to maintain the highest ethical standards in ensuring the home owners' association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the home owners' association is on identifying, assessing, managing and monitoring all known forms of risk across the home owners' association. While operating risk cannot be fully eliminated, the home owners' association 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 home owners' association's cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the home owners' association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the home owners' association's annual financial statements. The annual financial statements have been examined by the home owners' association's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 3 to 13, which have been prepared on the going concern basis, were approved by the board of trustees on 09 April 2024 and were signed on its behalf by:

B Vermaak

N Swart

J Cozzi (Chairperson)

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of La Veritas Home Owners' Association for the year ended 29 February 2024.

1. Nature of business

The home owner's association is engaged in governing the property and operates principally in South Africa.

There have been no material changes to the nature of the trust's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees
J Cozzi (Chairperson)
N Swart
B Vermaak

4. Managing Agent

The managing agent of the home owner's association during the year was Nolands Tyg Incorporated.

5. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

7. Auditors

IJ Smith & Co continued in office as auditors for the home owners' association for 2024.

They will continue in office for the 2025 financial year.

8. CSOS Compliance

CSOS levies	2024 R	2023 R
Balance brought forward	2 399	3 125
CSOS levies received	15 680	13 448
CSOS levies paid	(15 252)	(14 174)
Balance owing at year end	**2 827**	**2 399**

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Trustees of La Veritas Home Owners' Association

Opinion

We have audited the annual financial statements of La Veritas Home Owners' Association (the trust) set out on pages 6 to 13, which comprise the statement of financial position as at 29 February 2024, 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 present fairly, in all material respects, the financial position of La Veritas Home Owners' Association as at 29 February 2024, 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 .

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 trust 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 annual 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "La Veritas Home Owners' Association annual financial statements for the year ended 29 February 2024", which includes the Trustees' Report as required by the constitution and the supplementary information as set out on page 14. 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.

Responsibilities of the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution, 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 home owners' association'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 home owners' association or to cease operations, or have no realistic alternative but to do so.

CHARTERED ACCOUNTANTS

Independent Auditor's Report

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 home owners' association'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 home owners' association'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 home owners' association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

IJ Smith & Co Inc
Chartered Accountants (SA)
Registered Auditors

Per: IJ Smith CA(SA) RA

09 April 2024
Durbanville

I J Smith & Co. Incorporated. Reg. No: 2002/018396/21 Practice No: 963 194
29A De Villiers Drive, Durbanville 7551. P.O. Box 593, Durbanville, 7551. Tel: 021 970 5000. Fax: 021 975 0586
E-mail: info@ijs.co.za. Website: www.ijs.co.za

Director: Izak J Smith CA (SA)

Statement of Financial Position as at 29 February 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Current Assets			
Trade and other receivables	2	116 735	96 385
Cash and cash equivalents	3	951 810	910 270
		1 068 545	**1 006 655**
Total Assets		**1 068 545**	**1 006 655**
Equity and Liabilities			
Equity			
Reserves	4	450 000	450 000
Accumulated surplus		382 815	364 723
		832 815	**814 723**
Liabilities			
Current Liabilities			
Trade and other payables	5	230 974	191 932
Current tax payable		4 756	-
		235 730	**191 932**
Total Equity and Liabilities		**1 068 545**	**1 006 655**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	6	1 368 865	1 244 898
Other income		614 965	472 682
Operating expenses		(2 028 796)	(1 743 777)
Operating deficit		**(44 966)**	**(26 197)**
Investment revenue		67 814	45 606
Surplus before taxation		**22 848**	**19 409**
Taxation	10	(4 756)	-
Surplus for the year		**18 092**	**19 409**
Other comprehensive income		-	-
Total comprehensive income for the year		**18 092**	**19 409**

Statement of Changes in Equity

Figures in Rand	Development and contingency reserve	Accumulated surplus	Total equity
Balance at 01 March 2022	**450 000**	**345 314**	**795 314**
Surplus for the year	-	19 409	19 409
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**19 409**	**19 409**
Balance at 01 March 2023	**450 000**	**364 723**	**814 723**
Surplus for the year	-	18 092	18 092
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**18 092**	**18 092**
Balance at 29 February 2024	**450 000**	**382 815**	**832 815**
Note(s)	4		

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash receipts from customers		1 963 480	1 752 377
Cash paid to suppliers and employees		(1 989 754)	(1 825 825)
Cash used in operations	11	(26 274)	(73 448)
Interest income		67 814	45 606
Net cash from operating activities		**41 540**	**(27 842)**
Total cash movement for the year		**41 540**	**(27 842)**
Cash and cash equivalents at the beginning of the year		910 270	938 112
Total cash at end of the year	3	**951 810**	**910 270**

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 International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

The levies receivable are accounted for on a straight-line basis over the financial year and decided amongst the owners. The annual levies are agreed and approved at the home owner's association's annual general meeting.

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

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. Trade and other receivables

	2024	2023
Trade receivables	116 735	96 385

Trade receivables - age analysis	Current	30 days	60 days	90 days +	2024 Total
040	844	-	-	-	844
042	1 516	-	-	-	1 516
043	2 263	2 413	-	-	4 676
049	1 997	2	-	-	1 999
054	188	-	-	-	188
061	1 325	92	-	-	1 417
068	30	-	-	-	30
082	2 285	-	-	-	2 285
092	216	-	-	-	216
Water and sewerage recoveries receivable	103 564	-	-	-	103 564
	114 228	2 507	-	-	116 735

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Bank balances	184 692	124 456
Short-term deposits	767 118	785 814
	951 810	910 270

4. Development and contingency reserve

	2024	2023
At the option of the members of the HOA	266 800	266 800
At the option of the trustees	183 200	183 200
	450 000	450 000

5. Trade and other payables

	2024	2023
Trade payables	95 874	68 294
Levies received in advance	131 573	120 539
Ombud service levy	2 827	2 399
Deposits received	700	700
	230 974	191 932

Trade and other payables - age analysis by creditor	Current	30 days	60 days	90 days +	2024 Total
City of Cape Town	94 914	-	-	-	94 914
Builders Warehouse	(820)	-	-	-	(820)
Oliene Tuinprojekte	1 780	-	-	-	1 780
Levies received in advance	130 847	726	-	-	131 573
CSOS	1 414	1 413	-	-	2 827
Deposits - tags	-	-	-	700	700
	228 135	2 139	-	700	230 974

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Revenue

Ordinary levies	1 353 185	1 231 450
CSOS levies	15 680	13 448
	1 368 865	**1 244 898**

7. Auditor's remuneration

Fees	9 994	9 085

8. Insurance

Fidelity and Computer crime cover:

Insurance company:	Compass Insurance Company Limited
Policy number:	CIA 070-200
Expiry date:	01/12/2024
Premiums paid for the year:	R4,800
Value insured per the insurance policy:	R750,000

Building insurance:

Insurance company:	Santam Limited
Policy number:	63110103845
Expiry date:	01/11/2024
Premiums paid for the year:	R40,395
Total replacement value as per the insurance policy:	R1,234,293

Public Liability insurance:

Insurance company:	Santam Limited
Policy number:	6311010384
Expiry date:	01/11/2024
Premiums paid for the year:	R1,430
Value insured per the insurance policy:	R2,000,000

9. Repairs and maintenance

Property maintenance	128 721	70 197
Roads	15 572	5 129
	144 293	**75 326**

10. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - current year	4 756	-

11. Cash used in operations

Net surplus before taxation	22 848	19 409
Investment income	(67 814)	(45 606)
Changes in working capital:		
(Increase) decrease in trade and other receivables	(20 350)	34 797
Increase (decrease) in trade and other payables	39 042	(82 048)
	(26 274)	**(73 448)**

Figures in Rand	2024	2023

12. Related parties

Relationships			
Owners of the Home Owners Association	All unit holders		
Trustees	J Cozzi (Chairperson) N Swart B Vermaak		

Related party balances and transactions with other related parties

Related party balances

	2024	2023
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Refer to note 2	116 735	96 385
Refer to note 4	(131 573)	(120 539)

Related party transactions

	2024	2023
Levies received from related parties		
Total levies received	1 368 865	1 244 898

Detailed Income Statement

Figures in Rand	Note(s)	2024	2023
Revenue			
Ordinary levies		1 353 185	1 231 450
CSOS levies		15 680	13 448
	6	**1 368 865**	**1 244 898**
Other income			
Recoveries		573 270	469 734
Insurance claim received		41 695	2 848
Tags issued		-	100
		614 965	**472 682**
Operating expenses			
Accounting fees		4 428	4 255
Auditors remuneration	7	9 994	9 085
Bank charges		5 995	5 712
CSOS levies		15 680	13 448
Cleaning		4 959	7 769
Communications		4 744	2 996
Estate manager's remuneration		93 032	87 500
Garden		35 449	106 963
General expenses		6 024	5 676
Insurance	8	46 625	41 871
Managing agents fees		112 652	106 280
Municipal expenses		699 855	595 713
Printing and stationery		98	24
Repairs and maintenance	9	144 293	75 326
Security		818 978	681 159
Wages		25 990	-
		2 028 796	**1 743 777**
Operating deficit		**(44 966)**	**(26 197)**
Investment income		67 814	45 606
Surplus before taxation		**22 848**	**19 409**
Taxation	10	(4 756)	-
Surplus for the year		**18 092**	**19 409**

The supplementary information presented does not form part of the annual financial statements and is unaudited