

**Atlantic Beach Home Owners Association (Non Profit Company)
(Registration number 1999/000213/08)
Annual Financial Statements
for the year ended 30 June 2023**

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Home Owners Association
Directors	BD Kaiser (Chairman) DA Boyce LC Fild AB Berning G Herman
Business address	No.2 Fairway Drive Atlantic Beach Estate Melkbosstrand 7441
Postal address	PO Box 39 Melkbosstrand 7437
Bankers	Standard Bank Ltd, Investec Bank Ltd, First National Bank Ltd
Auditor's	AMF & Associates Chartered Accountants (S.A.) Registered Auditors
Secretary	M Morey (as representative of Pam Golding Property Management Services)

Atlantic Beach Home Owners Association (Non Profit Company)

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

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

Detailed Income Statement	20 - 21
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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

G Strydom
Professional Accountant (SAIPA)

Published

28 September 2023

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

Directors' Responsibilities and Approval

The Directors are required by the Companies Act 71 of 2008, 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 company 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 external auditors are engaged to express an independent opinion on the annual financial statements.

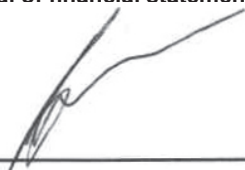
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors 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. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors 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.

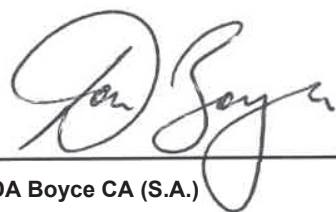
The Directors have reviewed the company's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Approval of financial statements



BD Kaiser
(Chairman)

28 September 2023



DA Boyce CA (S.A.)

Independent Auditor's Report

To the members of Atlantic Beach Home Owners Association (Non Profit Company)

Opinion

We have audited the Annual Financial Statements of Atlantic Beach Home Owners Association (Non Profit Company) set out on pages 8 to 19, which comprise the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and 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 Atlantic Beach Home Owners Association (Non Profit Company) as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

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 company 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 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 Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. 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 Directors for the Annual Financial Statements

The Directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the Directors 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 Directors are responsible for assessing the company'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 Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 company'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 company 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 Directors 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.

AMF & Associates

AMF & Associates

Per: M van Litsenborgh

Partner

Chartered Accountants (S.A.)

Registered Auditors

28 September 2023

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

Directors' Report

The Directors have pleasure in submitting their report on the annual financial statements of Atlantic Beach Home Owners Association (Non Profit Company) for the year ended 30 June 2023.

1. Main business and operations

The Association is the owner of various open spaces and infrastructure on Atlantic Beach Estate.

The main objective of the Association as defined in the Memorandum of Association, clause 3, is "to manage and promote the communal interest of the owners and occupiers of the estate and in particular the collective interests common to all members".

In addition, the memorandum also details, in clause 2, the "Main Business which the Association is to carry on" which the Directors have summarised as follows:

- Protection of the communal interest of owners and occupiers.
- Ensuring acceptable aesthetic, architectural and environmental standards are applied throughout the Estate.
- Protecting and maintaining the recreational facilities.
- Entitling owners and occupiers the use of the club house and recreational facilities in terms of formulated rules and regulations.
- Implementation and maintenance of security measures for controlled access to the Estate
- Ensuring harmonious development of the Estate.
- Controlling the road access to the Estate, as well as maintaining and repairing all private roads and open spaces.
- Holding licenses for the proper and lawful conduct of any business undertaking within the Estate.
- Outsourcing (where appropriate) the functions and duties above to any individual or company for the provision of these specified services.

Furthermore, the Association acquired the business of Atlantic Beach Links Club and assumed responsibility for the maintenance and improvement of the golf course, in order to protect the future revenue of the course and maintain the reputation of the Estate in general.

2. Review of financial results and activities

The Company recorded an after tax surplus for the year ended 30 June 2023 of R3,671,551. This represents a decrease of 39% from the after tax surplus of the prior year of R6,063,685.

Company revenue increased by 7% from R42,386,835 in the prior year to R45,395,545 for the year ended 30 June 2023.

Company operating expenditure increased by 16% from R36,962,802 in the prior year to R42,722,614.

With an increased scope in business and operations (above) to include golf ops, the two divisions contributed as follows:

- After tax surplus:	Estate: R9,340,156 (surplus) ; Links club: R5,668,605 (Loss)
- Revenue:	Estate: R31,825,131 ; Links club: R13,570,414
- Operating expenditure:	Estate: R22,619,487 ; Links club: R20,103,127

3. Share capital

There is no share capital as the Association is a Non Profit Company.

Atlantic Beach Home Owners Association (Non Profit Company)

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Annual Financial Statements for the year ended 30 June 2023

Directors' Report

4. Directors

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

Directors

BD Kaiser (Chairman)

Non-executive

DA Boyce

Non-executive

LC Fild

Non-executive

AB Berning

Non-executive

Appointed 30 August 2022

G Herman

Non-executive

Appointed 30 August 2022

5. Events after the reporting period

The Directors 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 Directors believe that the Company 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 Directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Company. The Directors 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 Company.

7. Auditors

AMF & Associates will continue in office for the Company subject to the approval of the Members at the Annual General Meeting.

8. Secretary

The Company Secretary is M Morey (as representative of Pam Golding Property Management Services).

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	24,198,165	18,271,873
Intangible assets	3	10,779,991	11,216,391
		34,978,156	29,488,264
Current Assets			
Accounts receivable	4	1,452,340	865,428
Current tax receivable		54,311	-
Cash and cash equivalents	5	6,974,663	10,225,354
		8,481,314	11,090,782
Total Assets		43,459,470	40,579,046
Equity and Liabilities			
Equity			
Accumulated surplus		27,656,757	23,985,206
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	8,833,983	9,693,000
Current Liabilities			
Accounts payable	7	6,109,713	6,071,121
Other financial liabilities	6	859,017	812,340
Current tax payable		-	17,379
		6,968,730	6,900,840
Total Liabilities		15,802,713	16,593,840
Total Equity and Liabilities		43,459,470	40,579,046

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Annual Financial Statements for the year ended 30 June 2023

Statement of Comprehensive Income

Figures in Rand	Note	2023	2022
Turnover	2	45,395,545	42,386,835
Other income		1,086,669	1,014,543
Operating expenses		(42,722,614)	(36,962,802)
Operating surplus		3,759,600	6,438,576
Investment revenue	9	639,250	310,296
Finance costs	10	(567,660)	(611,808)
Surplus before taxation		3,831,190	6,137,064
Taxation	11	(159,639)	(73,379)
Surplus for the year		3,671,551	6,063,685

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 July 2021	17,921,521	17,921,521
Surplus for the year	6,063,685	6,063,685
Balance at 01 July 2022	23,985,206	23,985,206
Surplus for the year	3,671,551	3,671,551
Balance at 30 June 2023	27,656,757	27,656,757

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Annual Financial Statements for the year ended 30 June 2023

Statement of Cash Flows

Figures in Rand	Note	2023	2022
Cash flows from operating activities			
Cash receipts from customers		45,364,394	42,538,462
Cash paid to suppliers and employees		(37,847,518)	(31,270,202)
Cash generated from operations	13	7,516,876	11,268,260
Interest income		639,250	310,296
Finance costs		(567,660)	(611,808)
Tax paid	14	(231,329)	(112,028)
Net cash from operating activities		7,357,137	10,854,720
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9,795,488)	(5,659,004)
Sale of property, plant and equipment	2	-	144,542
Purchase of intangible assets		-	(78,200)
Net cash from investing activities		(9,795,488)	(5,592,662)
Cash flows from financing activities			
Net movement in other financial liabilities		(812,340)	(768,202)
Net cash from financing activities		(812,340)	(768,202)
Total cash movement for the year		(3,250,691)	4,493,856
Cash at the beginning of the year		10,225,354	5,731,498
Total cash at end of the year	5	6,974,663	10,225,354

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of annual financial statements

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management is required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the Annual Financial Statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Accounts receivable

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.2 Project expenditure incurred

Discretionary expenditure, not included in the operating budget is written off during the year in which it is incurred.

1.3 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost 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 provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Boreholes and irrigation	Straight line	5 years
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Land	Straight line	Not depreciated
Landscaping and golf equipment	Straight line	5 years
Leasehold improvements: Links Club	Straight line	12 years
Motor vehicles	Straight line	4 years
Nursery equipment	Straight line	5 Years

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.3 Property, plant and equipment (continued)

Office equipment	Straight line	6 years
Road infrastructure improvements	Straight line	5 Years
Security equipment	Straight line	3 Years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated as it is deemed to have an indefinite life.

The residual value, depreciation method and useful life of each asset is reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.4 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis over the repayment period.

Item	Useful life
Acquisition of golf course lease	28 years
Trademark renewal fees	10 years

1.5 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 profit or loss) 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. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 profit or loss.

Financial instruments at fair value

All other financial instruments, or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.6 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

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.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 Provisions and contingencies

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

1.10 Revenue

Revenue comprises levy and links club income received by or accrued to the association. Revenue from Golf Operations comprises membership fees, green fees, golf equipment rental and driving range income. Revenue is recognised when all the following conditions have been satisfied:

- the association has transferred to the home owner the significant risks and rewards of the service;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the association; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other income is recognised as and when it accrues.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Atlantic Beach Home Owners Association (Non Profit Company)

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Boreholes and irrigation	1,273,969	(936,918)	337,051	1,153,724	(680,309)	473,415
Furniture and fixtures	1,074,849	(452,952)	621,897	821,950	(293,022)	528,928
IT equipment	2,406,656	(1,081,239)	1,325,417	687,306	(468,279)	219,027
Land	101	-	101	101	-	101
Landscaping and golf equipment	3,488,950	(1,571,826)	1,917,124	2,258,842	(1,017,801)	1,241,041
Leasehold improvements: Links club	21,634,240	(3,601,815)	18,032,425	16,802,463	(1,843,901)	14,958,562
Motor vehicles	2,926,311	(1,524,106)	1,402,205	1,562,315	(1,509,946)	52,369
Nursery equipment	33,744	(33,744)	-	33,744	(33,744)	-
Office equipment	428,258	(259,984)	168,274	240,679	(225,497)	15,182
Plant and machinery	107,243	(75,663)	31,580	107,243	(57,975)	49,268
Road infrastructure improvements	1,412,493	(1,200,624)	211,869	1,412,493	(918,126)	494,367
Security equipment	3,338,539	(3,289,348)	49,191	3,338,539	(3,251,191)	87,348
Sports & fitness centre furniture and fittings	1,796,443	(1,695,412)	101,031	1,785,595	(1,633,330)	152,265
Total	39,921,796	(15,723,631)	24,198,165	30,204,994	(11,933,121)	18,271,873

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Boreholes and irrigation	473,415	120,245	(256,609)	337,051
Furniture and fixtures	528,928	252,899	(159,930)	621,897
IT equipment	219,027	1,719,350	(612,960)	1,325,417
Land	101	-	-	101
Landscaping and golf equipment	1,241,041	1,230,108	(554,025)	1,917,124
Leasehold improvements: Links club	14,958,562	4,831,775	(1,757,912)	18,032,425
Motor vehicles	52,369	1,453,531	(103,695)	1,402,205
Office equipment	15,182	187,580	(34,488)	168,274
Plant and machinery	49,268	-	(17,688)	31,580
Road Infrastructure - improvements	494,367	-	(282,499)	211,869
Security equipment	87,348	-	(38,157)	49,191
Sports & fitness centre furniture and fittings	152,265	-	(51,234)	101,031
	18,271,873	9,795,488	(3,869,197)	24,198,165

3. Intangible assets

At amortised cost

Trademark renewal fees	78,200	78,200
Acquisition of golf course lease	12,000,000	12,000,000

The Association acquired the lease at a cost of R12,000,000. The land is owned by the City of Cape Town and the lease expires December 2048.

Accumulated amortisation	12,078,200	12,078,200
	(1,298,209)	(861,809)
	10,779,991	11,216,391

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
3. Intangible assets (continued)		
The acquisition of the golf course lease and the trademark renewal fees are amortised on the straight-line basis over a period of 28 years and 10 years respectively.		
Non-current assets		
At amortised cost	10,779,991	11,216,391
4. Accounts receivable		
Amounts due by home owners	420,725	419,940
Prepayments	280,365	141,044
Deposits	11,559	11,559
VAT	297,906	41,934
Amounts due from non-owner members	53,540	15,939
Links Club: Sundry debtors	343,383	107,880
Links Club: Accrued Income	44,862	127,132
	1,452,340	865,428
Receivables past due but not impaired		
Amounts due by home owners and other receivables which are overdue are evaluated by the directors for recoverability. No outstanding receivables were impaired and provided for as bad debts. At 30 June 2023, R273,526 (2022: R280,688) of receivables were unpaid and overdue but not impaired by way of a provision for bad debts.		
The ageing of amounts due by home owners past due but not impaired is as follows:		
Current (0 -30 days)	147,199	139,252
Past due (30 - 60 days)	101,132	45,469
Past due (> 60 days)	172,394	235,219
	420,725	419,940
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	660,710	5,195,246
Call account and Short - term deposits	5,502,987	2,600,199
Cash on hand	96,173	56,599
Links Club: Bank balance	583,766	950,019
Links Club: Short - term deposits	47,308	736,558
PGPMS Trust account	83,719	686,733
	6,974,663	10,225,354
6. Other financial liabilities		
At amortised cost		
Instalment Lease Creditor: Atlantic Beach Management (Pty) Ltd	9,693,000	10,505,340
The instalment lease creditor carries interest at 5.6% per year and is repayable in monthly instalments of R115,000 over 12 years with a final instalment in July 2032.		
Non-current liabilities		
At amortised cost	8,833,983	9,693,000

Atlantic Beach Home Owners Association (Non Profit Company)

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
6. Other financial liabilities (continued)		
Current liabilities		
At amortised cost	859,017	812,340
	9,693,000	10,505,340
7. Accounts payable		
Accounts payable	2,899,100	3,248,898
Levies received in advance	402,061	343,685
Accrued leave pay	535,062	330,733
Amounts received in advance - links club	1,790,490	1,684,805
Building and rental deposits received	483,000	463,000
	6,109,713	6,071,121
Amounts received in advance - links club		
Included in the amounts received in advance under accounts payable, is the renewal of annual links club membership and green fees pre-paid.		
8. Links club income		
Memberships and green fees	10,415,275	8,849,422
Rental income: golf carts	1,884,983	1,506,328
Rental income: facilities	1,226,265	1,129,983
Retail and other income	43,891	30,674
	13,570,414	11,516,407
9. Investment revenue		
Interest revenue		
Bank	595,812	272,441
Levies in arrears	43,438	37,855
	639,250	310,296
10. Finance costs		
Instalment lease creditor: Atlantic Beach Management (Pty) Ltd	567,660	611,808
11. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	159,639	73,379
12. Auditor's remuneration		
Fees	71,600	69,200

Atlantic Beach Home Owners Association (Non Profit Company)

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

13. Cash generated from operations

Surplus before taxation	3,831,190	6,137,064
Adjustments for:		
Depreciation and amortisation	4,305,597	3,358,374
Interest received	(639,250)	(310,296)
Finance costs	567,660	611,808
Changes in working capital:		
Accounts receivable	(586,912)	151,627
Accounts payable	38,591	1,319,683
	7,516,876	11,268,260

14. Tax paid

Balance at beginning of the year	(17,379)	(56,028)
Current tax for the year recognised in profit or loss	(159,639)	(73,379)
Balance at end of the year	(54,311)	17,379
	(231,329)	(112,028)

15. Directors' remuneration

No emoluments were paid to the Directors during the year.

16. Other Income

Advertising income	49,565	36,522
Cleaning charges	72,000	72,000
Disposals of fixed assets	10,000	307,380
Events	140,046	-
PG rental offices	528,000	480,000
Penalties	44,230	16,939
Recoveries	3,151	3,872
Sports & fitness centre rental	153,700	90,230
Sundry income	85,977	7,600
	1,086,669	1,014,543

17. Sports & fitness centre expenses

Computer expenses	-	8,343
Employee costs	480,281	351,781
Equipment and small assets	-	6,250
Health and hygiene	78,170	91,470
Licenses	-	61,147
Maintenance	135,308	218,158
Water and electricity	117,797	186,546
	811,556	923,695

18. Project expenditure

Computer equipment upgrade	19,341	-
Estate maintenance machinery replacement	28,704	-
Estate upgrades of roads, stormwater and infrastructure	901,440	-
Water project	178,342	-
Prior year projects	-	1,237,235
	1,127,827	1,237,235

Detail for prior year projects available in the 2022 financial statements.

Atlantic Beach Home Owners Association (Non Profit Company)

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

19. Community Schemes Ombuds Service Levy

The Home Owners Association is registered with the Community Schemes Ombud Service (CSOS) as required by the Community Schemes Ombud Service Act, 2011 and the Regulations on Community Schemes Ombud Service, 2016.

Levies are collected from owners on a monthly basis and paid over to the Community Schemes Ombuds Service on a quarterly basis.

Levies paid to CSOS during the financial year

CSOS levies paid	412,000	411,840
CSOS levies recovered from owners	(412,000)	(411,840)
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	-	-

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

Detailed Income Statement

Figures in Rand	Note	LINKS CLUB 2023	ESTATE 2023	ABHOA 2023	LINKS CLUB 2022	ESTATE 2022	ABHOA 2022
Revenue							
Links club	8	13,570,414	-	13,570,414	11,516,407	-	11,516,407
Homeowner levies		-	31,262,496	31,262,496	-	30,208,260	30,208,260
Building levies		-	562,635	562,635	-	662,168	662,168
		13,570,414	31,825,131	45,395,545	11,516,407	30,870,428	42,386,835
Other income							
Other income	16	824,970	261,699	1,086,669	311,252	703,291	1,014,543
Interest received	9	39,137	600,113	639,250	24,137	286,159	310,296
		864,107	861,812	1,725,919	335,389	989,450	1,324,839
Expenses (Refer to page 21)							
		(20,103,126)	(22,619,487)	(42,722,614)	(14,236,821)	(22,725,981)	(36,962,802)
Operating surplus / (loss)							
		(5,668,605)	10,067,456	4,398,850	(2,385,025)	9,133,897	6,748,872
Finance costs	10	-	(567,660)	(567,660)	-	(611,808)	(611,808)
Surplus / (loss) before taxation							
		(5,668,605)	9,499,796	3,831,190	(2,385,025)	8,522,089	6,137,064
Taxation	11	-	(159,639)	(159,639)	-	(73,379)	(73,379)
Surplus / (Loss) for the year							
		(5,668,605)	9,340,156	3,671,551	(2,385,025)	8,448,710	6,063,685

Atlantic Beach Home Owners Association (Non Profit Company)

(Registration number 1999/000213/08)

Annual Financial Statements for the year ended 30 June 2023

Detailed Income Statement

Figures in Rand	Note	LINKS CLUB 2023	ESTATE 2023	ABHOA 2023	LINKS CLUB 2022	ESTATE 2022	ABHOA 2022
Operating expenses							
Accounting and secretarial fees - service level agreement		(290,016)	(778,210)	(1,068,226)	-	(1,048,800)	(1,048,800)
Administration fees		-	(10,343)	(10,343)	-	(6,952)	(6,952)
Advertising and communication		(153,874)	(290,002)	(443,876)	(138,058)	(247,900)	(385,958)
Auditor's remuneration	12	-	(71,600)	(71,600)	-	(69,200)	(69,200)
Bad debt written off		-	-	-	(67,707)	-	(67,707)
Bank charges		(189,873)	(38,910)	(228,783)	(177,592)	(41,960)	(219,553)
Cleaning		(362,193)	(71,743)	(433,936)	(197,223)	(48,803)	(246,026)
Community functions		(375,413)	(75,418)	(450,831)	(45,623)	(85,655)	(131,278)
Computer expenses		(93,283)	(236,677)	(329,960)	(55,750)	(279,623)	(335,374)
Consumables		(100,699)	(90,326)	(191,025)	(74,151)	(77,441)	(151,592)
Depreciation and amortisation		(2,506,927)	(1,798,670)	(4,305,597)	(1,888,202)	(1,470,171)	(3,358,374)
Diesel: Generator		(291,267)	-	(291,267)	-	-	-
Electricity and water		(1,164,347)	(1,329,057)	(2,493,404)	(1,298,966)	(740,752)	(2,039,719)
Employee costs		(3,207,337)	(6,531,806)	(9,739,143)	(2,540,063)	(5,567,634)	(8,107,697)
Employee training and wellness		(204,514)	(318,737)	(523,251)	(46,714)	(149,201)	(195,915)
Estate and environmental management		-	(116,484)	(116,484)	-	(40,223)	(40,223)
Garage rental		-	(96,120)	(96,120)	-	(110,353)	(110,353)
General expenses		(75,142)	(32,702)	(107,844)	(55,543)	(46,878)	(102,421)
Health & safety		(11,505)	(39,649)	(51,153)	-	-	-
Insurance		(234,434)	(401,580)	(636,014)	(192,697)	(322,252)	(514,949)
League and junior program expenses		(406,686)	-	(406,686)	(318,550)	-	(318,550)
Lease rentals on operating lease, golf carts and course equipment		(1,927,685)	-	(1,927,685)	(1,713,557)	-	(1,713,557)
Legal & collection fees		(22,970)	(170,435)	(193,405)	-	(1,073,686)	(1,073,686)
Licenses		(111,409)	-	(111,409)	-	-	-
Maintenance - golf course		(5,273,017)	-	(5,273,017)	(4,642,591)	-	(4,642,591)
Maintenance - landscape		(216,795)	(2,797,736)	(3,014,531)	(140,686)	(2,629,348)	(2,770,034)
Meeting expenses		-	(73,225)	(73,225)	-	(82,430)	(82,430)
Motor vehicle expenses		-	(235,499)	(235,499)	(15,154)	(152,240)	(167,395)
Plan scrutiny		-	(327,600)	(327,600)	-	(219,820)	(219,820)
Printing and stationery		(175,882)	(36,431)	(212,312)	(174,368)	(23,791)	(198,159)
Professional fees		(21,700)	(126,050)	(147,750)	(30,221)	(94,466)	(124,687)
Project expenditure	18	-	(1,127,827)	(1,127,827)	-	(1,237,235)	(1,237,235)
Rates		(1,378)	(763)	(2,141)	(1,104)	(5,525)	(6,629)
Recycling		-	(181,522)	(181,522)	-	-	-
Repairs and maintenance		(734,930)	(626,018)	(1,360,948)	(337,124)	(699,283)	(1,036,407)
Security		(1,117,177)	(4,392,929)	(5,510,106)	(2,973)	(5,127,167)	(5,130,140)
Sports & fitness centre	17	(811,556)	-	(811,556)	(61,147)	(862,547)	(923,695)
Telephone and fax		(21,118)	(195,419)	(216,537)	(21,055)	(164,643)	(185,698)
		(20,103,126)	(22,619,487)	(42,722,614)	(14,236,821)	(22,725,981)	(36,962,802)