

Parkhurst Village Residents' and Business Owners' Association
Annual Financial Statements
for the year ended 28 February 2023

HLB CMA South Africa Incorporated
Registered Auditors

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Residents' Association
Treasurer	J. F. Lategan
Business address	100 Seventeenth Street Parkhurst 2193
Auditors	HLB CMA South Africa Incorporated Registered Auditors Private Bag X168 Halfway House
Tax reference number	9658241170
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the PRABOA's constitution.
Preparer	The annual financial statements were independently compiled by: Mrs. M. Oosthuizen Professional Accountant (S.A).
Issued	09 October 2023

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Index

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

	Page
Committee's Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Committee's Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 12

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Committee's Responsibilities and Approval

The Committee is required by the PRABOA's constitution, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of PRABOA 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 as set out in note 1 to the annual financial statements. 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 basis of accounting as set out in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The committee considered the qualified opinion expressed in the auditor's report. Due to the voluntary nature of contributions received, this is an acceptable risk and no additional control measures are deemed necessary.

The Committee acknowledges that it is ultimately responsible for the system of internal financial control established by the Committee and place considerable importance on maintaining a strong control environment. To enable the Committee to meet these responsibilities, the Committee 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.

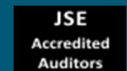
The Committee has reviewed the PRABOA's cash flow forecast for the year to 28 February 2024 and, in the light of this review and the current financial position, they are satisfied that the PRABOA has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on PRABOA's annual financial statements. The financial statements have been examined by PRABOA's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 12, were approved by the committee on 09 October 2023 and were signed on their behalf by:

Committee member

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Independent Auditor's Report

To the Members of Parkhurst Village Residents' and Business Owners' Association

Qualified opinion

We have audited the financial statements of Parkhurst Village Residents' and Business Owners' Association set out on pages 7 to 12, which comprise the statement of financial position as at 28 February 2023, statement of comprehensive income and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Parkhurst Village Residents' and Business Owners' Association for the year ended 28 February 2023 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the financial statements and the requirements of the PRABOA's constitution.

Basis for Qualified Opinion

In common with similar organisations, due to the voluntary nature of contributions, it is not feasible for the organisation to institute accounting controls over contributions prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

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 Financial Statements section of our report. We are independent of the association 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 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 qualified opinion.

Other Information

The committee is responsible for the other information. The other information comprises the information included in the document titled "Parkhurst Village Residents' and Business Owners' Association financial statements for the year ended 28 February 2023", which includes the Committee's Report as required by the PRABOA's constitution. The other information does not include the financial statements and our auditor's report thereon.

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



CorporateINTL Audit & Assurance Services Firm of the Year 2019 and 2023

IRBA Practice no.: 912476
SAICA Practice no.: 30701993

Independent Auditor's Report

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Committee for the Financial Statements

The committee is responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of the PRABOA's constitution, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is responsible for assessing the 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 committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 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 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 association to cease to continue as a going concern.

We communicate with the committee 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.

HLB CMA South Africa Incorporated
Registered Auditors



Per: S.I. Minnaar
Registered Auditors
Director

09 October 2023

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Committee's Report

The Committee has pleasure in submitting their report on the annual financial statements of Parkhurst Village Residents' and Business Owners' Association for the year ended 28 February 2023.

1. Nature of business

Parkhurst Village Residents' and Business Owners' Association, abbreviated as PRABOA, is a voluntary association, managed by the committee in accordance with its constitution. The business of PRABOA is to promote and advance the collective interests of those eligible for membership and all users of Parkhurst, as reflected in more detail in the constitution.

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

2. Review of financial results and activities

Main business and operations

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

3. Going concern

The committee believe that the association 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 committee has satisfied themselves that the association is in a sound financial position. The committee is not aware of any new material changes that may adversely impact the company. The committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Events after the reporting period

On the 26th of September 2023 the organisation was formally registered with the Companies and Intellectual Property Commission (CIPC) as a Non-profit Company. The organisations name was registered as "Parkhurst Residents and Business Owners Association NPC".

The committee is not aware of any other material event which occurred after the reporting date and up to the date of this report that could have a material effect on the association.

5. Auditors

HLB CMA South Africa Incorporated continued in office for the current financial period.

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Trade and other receivables	2	-	6,676
Cash and cash equivalents	3	1,085,778	1,795,082
		<u>1,085,778</u>	<u>1,801,758</u>
Total Assets		<u>1,085,778</u>	<u>1,801,758</u>
Reserves and Liabilities			
Members' interest and reserves			
Accumulated safety fund	4	-	856,176
Accumulated general fund	4	1,050,043	928,981
		<u>1,050,043</u>	<u>1,785,157</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	35,735	16,601
Total Equity and Liabilities		<u>1,085,778</u>	<u>1,801,758</u>

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Income			
PRABOA seniors membership		4,332	3,444
PRABOA standard membership		133,300	169,450
Plan approval fees		29,000	44,000
Safeparks contribution		2,598,312	2,737,258
		2,764,944	2,954,152
Other income			
Advertising		46,475	2,000
Operating expenses			
Auditors remuneration		2,340	21,638
Bank charges		2,719	2,227
Computer expenses		4,555	4,530
Entertainment		700	-
General expense		4,220	-
Halloween event		875	-
Precinct plan		-	10,349
Printing and stationery		300	-
Repairs and maintenance		11,766	1,000
Safe parks		3,498,246	2,555,142
Sage service fee		22,883	29,663
Telephone and fax		17,000	19,720
Town planner retainer		30,360	9,660
		3,595,964	2,653,929
Operating deficit		(784,545)	302,223
Investment income	6	49,428	37,648
Taxation	8	-	-
Deficit for the year		(735,117)	339,871

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from members		2,811,419	2,954,154
Cash paid to suppliers and employees		(3,570,151)	(2,646,542)
Cash (used in)/generated from operations	7	(758,732)	307,612
Interest income		49,428	37,648
Net cash from operating activities		(709,304)	345,260
Total cash and cash equivalents movement for the year		(709,304)	345,260
Cash and cash equivalents at the beginning of the year		1,795,082	1,449,822
Total cash and cash equivalents at end of the year	3	1,085,778	1,795,082

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

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

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.

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

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 Income

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

Donations and contributions received are recognised once received by PRABOA, and no portion is refundable in any event.

Advertising income is recognised when the service has been rendered.

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
2. Trade and other receivables		
Trade receivables	-	6,676
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	317,514	273,246
Short-term deposits	768,264	1,521,836
	1,085,778	1,795,082
Cash comprises cash on hand and on demand deposits. Cash equivalents are short term, liquid investments that are readily convertible to known amounts of cash and which are subject to a low risk of changes in value.		
4. Reserves - General and safety		
Accumulated safety fund	-	856,176
Accumulated general fund	1,050,043	928,981
	1,050,043	1,785,157
5. Trade and other payables		
Trade payables	-	1
Accrued bonus	5,375	1,000
Accrued audit fee	-	15,600
Accrued town planner fee	30,360	-
	35,735	16,601
6. Investment income		
Interest received		
Bank	49,428	37,648
7. Cash (used in) generated from operations		
Deficit before taxation	(735,117)	339,871
Adjustments for:		
Safe parks	6,676	-
Investment income	(49,428)	(37,648)
Changes in working capital:		
Trade and other receivables	-	2
Trade and other payables	19,137	5,387
	(758,732)	307,612

Parkhurst Village Residents' and Business Owners' Association

Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Taxation		
Reconciliation of the tax expense		
Accounting deficit	(735,117)	339,871
Tax at the applicable tax rate of 28% (2022: 28%)	(205,833)	95,164
Tax effect of adjustments on taxable income		
Exempt income		
Normal levies	(774,184)	(827,163)
Section 10(1)(e) exemption	(14,000)	(11,101)
	(788,184)	(838,264)
Non-deductible expenses		
Non-deductible expense	994,017	743,100
	994,017	743,100
	-	-

9. Going concern

The committee believe that the association 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 committee has satisfied themselves that the association is in a sound financial position. The committee is not aware of any new material changes that may adversely impact the company. The committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

The annual financial statements have therefore been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

10. Events after the reporting period

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The committee is not aware of any other material event which occurred after the reporting date and up to the date of this report that could have a material effect on the association.