

THE ELISENHEIM OWNERS ASSOCIATION

(NON PROFIT ASSOCIATION INCORPORATED UNDER SECTION 21)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

28 FEBRUARY 2015

(REGISTRATION NUMBER 21/2012/0112)



Hamilton & Partners

Registered Chartered Accountants and Auditors
(Namibia)

THE ELISENHEIM OWNERS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

The Elisenheim Owners Association is incorporated as a section 21 company.

The reports and statements as indexed hereunder are presented in compliance with the requirements of the companies act, No 28 of 2004.

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Registered address

136 Jan Jonker Road
P O Box 20198

THE ELISENHEIM OWNERS ASSOCIATION
STATEMENTS OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 28 FEBRUARY 2015

1. The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice, as applied to home owners associations.
2. The Trustees are also responsible for implementing and maintaining internal and administrative control systems. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect misstatements and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.
3. The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the association has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements which appear on pages 4 to 10 have been approved by the board of Trustees and are signed on its behalf by:

Chairperson

Vice Chairperson

18 June 2015

Registered address

136 Jan Jonker Road
P O Box 20198

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ELISENHEIM OWNERS ASSOCIATION**

We have audited the annual financial statements of The Elisenheim Owners Association which comprise the report of the Trustees, the balance sheet as at 28 February 2015, and the income statement, the statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 11 .

Trustees' responsibility for the financial statements

The Association's Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by the trustees, as well as evaluating the overall financial statements presentation.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at 28 February 2015 and its financial performance and its cash flows for the year then ended in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 12 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Hamilton Chartered Accountants
Registered Accountant and Auditors
Chartered Accountants (Namibia)
Windhoek.....Namibia

30 June 2015

WINDHOEK

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THE ELISENHEIM OWNERS ASSOCIATION

TRUSTEES' REPORT

for the year ended 28 February 2015

The Trustees present their annual report which forms part of the audited annual financial statements of the Association for the year ended 28 February 2015.

General

The Trustees are not aware of any matter or circumstance arising subsequent to the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affects the financial position of the body corporate or the results of its operations.

Results

Full details of the financial results of the Association are set out on pages 5 to 10.

Trustees

The board of Trustees for the year consisted of:

S Miller
H Bruyns
H De Villiers
S Kruger
H Steyn

Auditors

Hamilton Chartered Accountants acted as the auditors during the past financial period in accordance with the Companies Act.

Domicilium

The domicilium citandi et executandi of the association shall be at:

EON Property Services (Pty) Ltd	PO Box 310
16 Wagner Street, Windhoek West	Windhoek
Windhoek	Namibia

Review of operations

The Owners Association's operating results are fairly presented in the income statement and do not call for further comment.

Events subsequent to balance sheet date

The Trustees are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the company or the results of its operations.

THE ELISENHEIM OWNERS ASSOCIATION
BALANCE SHEET AS AT 28 FEBRUARY 2015

	<u>Notes</u>	<u>2015</u> <u>N\$</u>
ASSETS		
<u>Non-current assets</u>		726,212.50
Property, plant and equipment	2	726,212.50
<u>Current assets</u>		2,790,880.21
Accounts receivable	4	1,004,266.00
Cash and cash equivalents	7	1,786,614.21
Total Assets		3,517,092.71
MEMBERS FUNDS AND LIABILITIES		
<u>Funds</u>		2,396,647.05
Accumulated funds	3	2,396,647.05
<u>Non-current liabilities</u>		1,006,157.51
Loans	5	1,006,157.51
<u>Current liabilities</u>		114,288.15
Accounts payable	6	114,288.15
Total members funds and liabilities		3,517,092.71

THE ELISENHEIM OWNERS ASSOCIATION
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	<u>Notes</u>	<u>2015</u> <u>N\$</u>
Levies	8	2,936,113.00
Other income		935,532.32
Administrative and operating expenses		(1,474,998.27)
Surplus for the period		<u>2,396,647.05</u>

THE ELISENHEIM OWNERS ASSOCIATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	<u>Notes</u>	<u>2015</u> <u>N\$</u>
Cash applied to operating activities:		
Net movement in cash and cash equivalents		1,674,256.70
Cash flow from operations	9.1	2,562,119.02
Changes in working capital	9.2	(889,977.85)
Surplus of levies over expenses		1,672,141.17
Interest received		2,115.53
Cash flows from investing activities		(893,800.00)
Increase in property plant and equipment		(893,800.00)
Cash flow from financing activities		1,006,157.51
Proceeds from loans		1,006,157.51
Net movement in cash and cash equivalents		1,786,614.21
Cash and cash equivalents at beginning of period		0.00
Cash and cash equivalents at end of period		<u>1,786,614.21</u>

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

1. Accounting Policies

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities. The following are the principal accounting policies of the association, which are consisted in all material aspects with those applied in the previous year, except as otherwise indicated. The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies:

1.1 Levy receivables

Levy receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provisions for impairment of levy receivables is established if there is objective evidence that the association will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off during the year in which they are identified.

1.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

1.3 Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.4 Levies on owners

Levies charged to members are recognised when accrued. Normal levy rates are determined by the Trustees of the association at the Annual General Meeting, whilst special levies may be instituted by the Trustees.

1.5 Fair value of financial instruments

At 28 February 2015 the carrying amounts of cash and short-term deposits, levy accounts receivable, trade accounts payable and accrued expenses approximated fair values due to the short-term maturities of these assets and liabilities.

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

2. Property, Plant and equipment

	Equipment	Vehicles	Total
	N\$	N\$	N\$
Year ended 28 February 2015			
Opening carrying amount	0	0	0
Gross carrying amount	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00
Depreciation charge	(8,212.50)	(159,375.00)	(167,587.50)
Additions	43,800.00	850,000.00	893,800.00
Closing carrying amount	35,587.50	690,625.00	726,212.50
Gross carrying amount	43,800.00	850,000.00	893,800.00
Accumulated depreciation	(8,121.50)	(159,375.00)	(167,496.50)

3. Accumulated funds

	Accumulated surplus	Total
Balance at 28 February 2014	0.00	0.00
Net surplus for the period	2,396,647.05	2,396,647.05
Balance at 28 February 2015	2,396,647.05	2,396,647.05
	2015	
	N\$	

4. Accounts receivable

Levies and recoveries	1,004,266.00
	1,004,266.00

The list of debtors are available from the managing agent.

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

2015
N\$

5. Loans

Elisenheim Property Development Company (Pty) Ltd

Balance at beginning of year

1,006,157.51

Advanced during the year

0.00

The loan is unsecured interest free and has no fixed repayment terms.

1,006,157.51

1,006,157.51

6. Accounts payable

Trade payables

279.80

Pre-paid Levies

114,008.35

114,288.15

The list of creditors are available from the managing agent.

7. Cash and cash equivalents

Current Account

1,786,614.21

1,786,614.21

8. Surplus from operations

Surplus or deficit from operations is arrived at after taking into account the following:

Revenue from:

- Levies Received

2,936,113.00

Depreciation

- Plant and equipment - owned

8,212.50

- Vehicles - owned

159,375.00

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

2015
N\$

9. Notes to the cash flow statement

9.1 Cash flow from operations

Cash generated from:	3,869,529.79
- Levies collected	2,936,113.00
- Other Income	933,416.79
Operating expenses excluding depreciation	(1,307,410.77)
	<u>2,562,119.02</u>

9.2 Change in working capital

Decrease /(increase) in accounts receivable	(1,004,266.00)
Increase /(decrease) in accounts payable	114,288.15
	<u>(889,977.85)</u>

THE ELISENHEIM OWNERS ASSOCIATION
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	<u>2015</u>
	<u>N\$</u>
<u>Income</u>	3,832,028.53
Levies	2,936,113.00
Donations Received	893,800.00
Interest Received	2,115.53
	37,719.04
<u>Recovery of Expenses</u>	37,719.04
Recovery of Admin Fees	37,719.04
- Arrear Levy Interest	37,719.04
	3,869,747.57
Total Income	1,474,998.27
<u>Expenses</u>	973.46
Bank Service Charges	454.85
- Cash Deposit Fee	92.18
- Cash Handling Fee	55.64
- Debit Order Fee	370.79
- Service Fees	167,587.50
Depreciation	146,559.80
Professional Fees	146,559.80
- Managing Agent - Administrative Fees	146,280.00
- Management Fee	279.80
- Postage	153,560.51
Waste Water Treatment	35,366.24
Diesel & Petrol	2,987.00
Vehicle Repairs: Tyre Tubes & Repairs	45,082.30
Nursery	735,178.46
Security: Tephcor	368.00
Security: Tephcor Transmitter	187,335.00
Staff Expenses	187,335.00
- Salary & Wages	187,335.00
	2,394,749.30
Surplus	1,897.75
<u>Other Income/Expenses</u>	1,897.75
- Other income	1,897.75
	2,396,647.05
Surplus for the period	2,396,647.05

Note: This income statement does not form part of the audited financial statements.