



THE ELISENHEIM OWNERS ASSOCIATION

(NON PROFIT ASSOCIATION INCORPORATED UNDER SECTION 21)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

28 FEBRUARY 2017

(REGISTRATION NUMBER 21/2012/0112)

THE ELISENHEIM OWNERS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

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.

Contents	Page
Statement of Trustees' responsibilities	2
Report of the Independent Auditor	3
Report of the Trustees	4
Balance Sheet	5
Income Statement	6
Cash Flow Statement	7
Notes to the Annual Financial Statements	8 - 11
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	12

Registered address

136 Jan Jonker Road
P O Box 20198

THE ELISENHEIM OWNERS ASSOCIATION
STATEMENTS OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 28 FEBRUARY 2017

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 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

12 April 2017

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 2017, 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 2017 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

25 April 2017

TRUSTEES' REPORT

for the year ended 28 February 2017

The Trustees present their annual report which forms part of the audited annual financial statements of the Association for the year ended 28 February 2017.

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 Association 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:

H Steyn
J Lowe
S Kruger
W van Heerden
A Muller

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 Body Corporate shall be at:

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

Review of operations

The 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 2017

	<u>Notes</u>	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
ASSETS			
<u>Non-current assets</u>		1,330,028.52	774,170.53
Property, plant and equipment	2	1,330,028.52	774,170.53
<u>Current assets</u>		3,099,640.98	3,135,401.70
Accounts receivable	4	1,080,378.63	1,482,044.12
Cash and cash equivalents	6	2,019,262.35	1,653,357.58
Total Assets		4,429,669.50	3,909,572.23
MEMBERS FUNDS AND LIABILITIES			
<u>Funds</u>		4,084,166.25	3,784,917.26
Accumulated funds	3	4,084,166.25	3,784,917.26
<u>Current liabilities</u>		345,503.25	124,654.97
Accounts payable	5	345,503.25	124,654.97
Total members funds and liabilities		4,429,669.50	3,909,572.23

THE ELISENHEIM OWNERS ASSOCIATION
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017

	<u>Notes</u>	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
Levies	7	4,197,598.23	3,404,950.00
Other income/expenses		169,091.64	149,153.92
Administrative and operating expenses		(4,067,440.88)	(2,165,833.71)
Surplus for the period		<u>299,248.99</u>	<u>1,388,270.21</u>

THE ELISENHEIM OWNERS ASSOCIATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017

	<u>Notes</u>	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
Cash applied to operating activities:			
Net movement in cash and cash equivalents		1,123,446.55	1,059,059.13
Cash flow from operations	8.1	473,557.03	1,515,139.04
Changes in working capital	8.2	622,513.77	(467,411.30)
Surplus of levies over expenses		1,096,070.80	1,047,727.74
Interest received		27,375.75	11,331.39
Cash flows from investing activities		(757,541.78)	(186,158.25)
Increase in property, plant and equipment		(757,541.78)	(186,158.25)
Cash flow from financing activities		0.00	(1,006,157.51)
(Payments)/proceeds of loans		0.00	(1,006,157.51)
Net movement in cash and cash equivalents		365,904.77	(133,256.63)
Cash and cash equivalents at beginning of period		1,653,357.58	1,786,614.21
Cash and cash equivalents at end of period		2,019,262.35	1,653,357.58

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

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. The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies:

1.1 Property, plant and equipment

Property, plant and equipment (owned or leased) is stated at historical cost less depreciation. Depreciation is calculated on the straight - line method to write off the cost to residual value of each asset over its estimated useful life as follows:

Vehicles	4 Years
Equipment	4 Years

In determining the recoverable amount of items of property, plant and equipment, expected future cash flows have not been discounted to their present values.

1.2 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.

1.3 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.

1.4 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.

1.5 Levies on owners

Levies charged to owners 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.

1.6 Fair value of financial instruments

At 28 February 2017 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 2017

2. Property, plant and equipment

	Equipment	Vehicles	Total
	N\$	N\$	N\$
Year ended 28 February 2017			
Opening carrying amount	29,310.00	744,860.53	774,170.53
Gross carrying amount	43,800.00	1,036,158.25	1,079,958.25
Accumulated depreciation	(14,490.00)	(291,297.72)	(305,787.72)
Depreciation charge	(39,298.53)	(162,385.26)	(201,683.79)
Additions	200,620.09	556,921.69	757,541.78
Closing carrying amount	190,631.56	1,139,396.96	1,330,028.52
Gross carrying amount	397,589.34	1,134,122.97	1,531,712.31
Accumulated depreciation	(39,298.53)	(162,385.26)	(201,683.79)
Year ended 29 February 2016			
Opening 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	(8,212.50)	(159,375.00)	(167,587.50)
Depreciation charge	(6,277.50)	(131,922.72)	(138,200.22)
Additions	0.00	186,158.25	186,158.25
Closing carrying amount	29,310.00	744,860.53	774,170.53
Gross carrying amount	43,800.00	1,036,158.25	1,079,958.25
Accumulated depreciation	(14,490.00)	(291,297.72)	(305,787.72)

3. Accumulated funds

Statement of changes in equity:

	Accumulated surplus	Total
Balance at 28 February 2015	2,396,647.05	2,396,647.05
Net profit for the period	1,388,270.21	1,388,270.21
Balance at 29 February 2016	3,784,917.26	3,784,917.26
Net surplus for the period	299,248.99	299,248.99
Balance at 28 February 2017	4,084,166.25	4,084,166.25

4. Accounts receivable

Levies and recoveries	1,080,378.63	1,482,044.12
	1,080,378.63	1,482,044.12

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 2017

	<u>2017</u>	<u>2016</u>
	<u>N\$</u>	<u>N\$</u>
5. Accounts payable		
Trade payables	210,528.41	0.00
Levies received in advance	134,974.84	124,654.97
	<u>345,503.25</u>	<u>124,654.97</u>
The list of creditors are available from the managing agent.		
6. Cash and cash equivalents		
Current Account	2,019,262.35	1,653,357.58
	<u>2,019,262.35</u>	<u>1,653,357.58</u>
7. Surplus from operations		
Surplus or deficit from operations is arrived at after taking into account the following:		
Revenue from:		
- Levies Received	4,197,598.23	3,404,950.00
Depreciation		
- Plant and equipment - owned	39,298.53	6,277.50
- Vehicles - owned	162,385.26	131,922.72

THE ELISENHEIM OWNERS ASSOCIATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
8. Notes to the cash flow statement		
8.1 Cash flow from operations		
Cash generated from:	4,339,314.12	3,542,772.53
- Levies	4,197,598.23	3,404,950.00
- Other Income	141,715.89	137,822.53
Operating expenses excluding depreciation	(3,865,757.09)	(2,027,633.49)
	<u>473,557.03</u>	<u>1,515,139.04</u>
8.2 Change in working capital		
Decrease /(increase) in levy receivable	401,665.49	(477,778.12)
Increase /(decrease) in accounts payable	220,848.28	10,366.82
	<u>622,513.77</u>	<u>(467,411.30)</u>

THE ELISENHEIM OWNERS ASSOCIATION
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017

	<u>2017</u> <u>N\$</u>	<u>2016</u> <u>N\$</u>
Income	4,224,973.98	3,422,269.89
Levies	4,197,598.23	3,404,950.00
Insurance Claims	0.00	5,988.50
Interest Received	27,375.75	11,331.39
Recovery of Expenses	141,715.89	131,952.03
Recovery of Admin Fees	141,715.89	131,952.03
- Arrear Levy Interest	141,715.89	131,952.03
Total Income	4,366,689.87	3,554,221.92
Expenses	4,067,440.88	2,165,833.71
Bank Service Charges	5,428.09	4,525.64
- Cash Deposit Fee	9.70	1,404.72
- Cash Handling Fee	249.51	741.80
- Debit Order Fee	1,127.90	396.93
- Duty	0.00	10.00
- Electronic Bank Charges	0.00	486.94
- Epac Charge	1,478.70	0.00
- IBank Admin Fee	2,013.28	1,155.40
- Service Fees	549.00	329.85
Insurance	196,965.27	246,508.81
Depreciation	201,683.79	138,200.22
Maintenance and Repairs	99,985.45	54,772.43
- Maintenance	47,761.84	37,171.50
- Cleaning Road Verges	0.00	22,900.00
- General Maintenance	18,692.14	10,902.00
- Signage	1,216.70	3,369.50
- Signage: Erven Numbers	27,853.00	0.00
- Repairs	52,223.61	17,600.93
- Fence	36,297.71	11,045.93
- Fire Prevention	1,384.95	0.00
- Gate	0.00	6,555.00
- Storm Water	12,516.95	0.00
- Unblocked Drain	2,024.00	0.00
Professional Fees	952,676.14	623,249.43
- Audit Fees	24,150.00	17,250.00
- Legal Fees	822.62	59,281.43
- Managing Agent - Administrative Fees	927,703.52	546,718.00
- Management Fee	909,820.84	546,618.00
- Stationery	16,482.68	100.00
- Transportation & Delivery	1,400.00	0.00
Vehicle Expenses	27,711.53	19,458.00
- Diesel & Petrol	17,811.00	0.00
- Tyre Tubes & Repairs	9,900.53	19,458.00
Waste Water Treatment	314,018.48	59,513.94
Security: Tephcor	2,021,547.43	886,581.00
Staff Expenses	247,424.70	133,024.24
- Wages Worker	213,803.00	87,361.44
- Uniforms	0.00	4,032.80
- Elisenheim Labour	31,101.70	41,630.00
- Social Security	2,520.00	0.00
Surplus	299,248.99	1,388,388.21
Other Income/Expenses	0.00	(118.00)
- Other income/(expenses)	0.00	(118.00)
Surplus for the period	299,248.99	1,388,270.21

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