

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2019**

These financial statements have been audited in compliance with the applicable requirements of the Constitution.

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**GENERAL INFORMATION**

---

<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Homeowners association as set out in section 4 of the constitution
<b>TRUSTEES</b>	A Bell (Chairperson) L Bender R Watson C Liddicoat M de Kock R Francois
<b>LOCATION OF STATUTORY RECORDS</b>	Unit 1 Croydon Vineyard Estate Croydon SOMERSET WEST 7130
<b>REGISTERED OFFICE</b>	Unit 1 Croydon Vineyard Estate Croydon SOMERSET WEST 7130
<b>POSTAL ADDRESS</b>	Unit 1 Croydon Vineyard Estate Somerset West 7130 Chartered Accountants (SA) Registered Auditor
<b>LEVEL OF ASSURANCE</b>	These financial statements have been audited in compliance with the applicable requirements of the Constitution.
<b>PREPARER</b>	The financial statements were independently compiled by: WF Smith CA (S.A.)
<b>PUBLISHED</b>	_____

# **CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

### **INDEX**

---

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

<b>INDEX</b>	<b>PAGE</b>
Trustees' Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Trustees' Report	7 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Reserves	11
Statement of Cash Flows	12
Accounting Policies	13 - 17
Notes to the Financial Statements	18 - 26
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Statement of Financial Performance	27 - 28
Tax Computation	29

# **CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

## **TRUSTEES' RESPONSIBILITIES AND APPROVAL**

---

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the homeowners association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution.

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

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the homeowners association and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the homeowners association and all employees are required to maintain the highest ethical standards in ensuring the homeowners association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the homeowners association is on identifying, assessing, managing and monitoring all known forms of risk across the homeowners association. While operating risk cannot be fully eliminated, the homeowners association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the homeowners association's cash flow forecast for the year to 31 May 2020 as presented during the annual general meeting and, in the light of this review and the current financial position, they are satisfied that the homeowners association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the homeowners association's financial statements. The financial statements have been examined by the homeowners association's external auditor and their report is presented on pages 4 to 6.

The financial statements set out on pages 7 to 26, which have been prepared on the going concern basis, were approved by the trustees on \_\_\_\_\_ and were signed on its behalf by:

---

**A BELL (CHAIRPERSON)**

---

**R WATSON**

## **INDEPENDENT AUDITOR'S REPORT**

---

### **TO THE TRUSTEES OF CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**

#### **Opinion - Association**

We have audited the financial statements of Croydon Vineyard Estate Homeowners Association set out on pages 9 to 26, which comprise the statement of financial position as at 31 May 2019, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Croydon Vineyard Estate Homeowners Association as at 31 May 2019, 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 Constitution.

#### **Basis for opinion - Association**

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 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Part 1 to 4B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Adverse opinion - Group**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse opinion paragraph, the financial statements do not present fairly, the financial position of Croydon Vineyard Estate Homeowners Association and its subsidiary as at 31 May 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

### **Basis for Adverse Opinion - Group**

Section 9 of the International Financial Reporting Standard for Small and Medium-sized Entities: Consolidated and Separate Financial Statements, states that a parent shall present consolidated financial statements in which it consolidates its investments in its subsidiaries. In preparing consolidated financial statements an entity combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. The association did not produce group financial statements, which in our view, is not in accordance with section 9 of the International Financial Reporting Standard for Small and Medium-sized Entities.

The particulars and effect of the departure from the International Financial Reporting Standard for Small and Medium-sized Entities have been omitted from the financial statements. We draw your attention to note 6 in the trustees' report which provides the reason for the departure from the International Financial Reporting Standard for Small and Medium-sized Entities.

The effect of the departure from the International Financial Reporting Standard for Small and Medium-sized Entities on the financial statements is material.

### **Other information**

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Constitution, the Detailed Statement of Financial Performance and the Tax Computation, which we obtained prior to the date of this report. 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.

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the trustees for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are 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 trustees either intend to liquidate the association or to cease operations, or have 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 trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**EXCEED (CAPE TOWN) INC.**  
**Chartered Accountants (SA)**  
**Registered Auditor**  
**Director: GA van Rhyn**  
**BELLVILLE**

---

**DATE**

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## TRUSTEES' REPORT

---

The trustees submit their report for the year ended 31 May 2019.

### 1. REVIEW OF ACTIVITIES

#### Main business and operations

The homeowners association is engaged in operations as set out in section 4 of the constitution and operates principally in South Africa.

The operating results and state of affairs of the association are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. GOING CONCERN

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

### 3. EVENTS AFTER THE REPORTING PERIOD

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

### 4. NON-CURRENT ASSETS

There was no change in the nature of the property, plant and equipment of the association or in the policy regarding their use.

### 5. TRUSTEES

The trustees of the association during the year and to the date of this report are as follows:

Names	Appointed	Resigned
A Bell (Chairperson)	19/05/2018	
F Keuzenkamp		19/05/2018
R Watson		
H Krouse		10/01/2019
N Sprenger		19/05/2018
C Graham	19/05/2018	30/05/2019
L Bender	19/05/2018	
R Francois	30/05/2019	
W Bruynsteen	19/05/2018	10/01/2019
G Hatch	10/01/2019	05/12/2019 (Deceased)
E Harris		10/01/2019
L Petra	10/01/2019	30/05/2019
R Maharage	10/01/2019	30/05/2019
C Liddicoat	30/05/2019	
M de Kock	30/05/2019	

# **CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

### **TRUSTEES' REPORT**

---

#### **6. NON-COMPLIANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARD FOR SMALL AND MEDIUM-SIZED ENTITIES**

The association did not present consolidated financial statements in accordance with section 9 of the International Financial Reporting Standard for Small and medium-sized entities, due to undue cost benefit, however this may become necessary at a later stage and will be reviewed by the trustees at the end of each year.

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## STATEMENT OF FINANCIAL POSITION

	Notes	2019 R	2018 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	2 114 505	1 698 635
Other financial assets	3	1 182 872	984 580
		<b>3 297 377</b>	<b>2 683 215</b>
<b>Current Assets</b>			
Trade and other receivables	4	2 657 898	1 732 507
Current tax receivable		5 492	164 950
Cash and cash equivalents	5	2 840 962	4 741 904
		<b>5 504 352</b>	<b>6 639 361</b>
<b>Total Assets</b>		<b>8 801 729</b>	<b>9 322 576</b>
<b>EQUITY AND LIABILITIES</b>			
<b>OWNER'S FUNDS AND RESERVES</b>			
Accumulated surplus		7 282 718	7 601 566
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Finance lease liabilities	6	-	58 590
Deferred gain	7	569 341	569 341
Deferred tax	8	37 813	20 505
		<b>607 154</b>	<b>648 436</b>
<b>Current Liabilities</b>			
Trade and other payables	9	860 213	986 453
Other financial liabilities	10	2 664	105
Finance lease liabilities	6	48 980	86 016
		<b>911 857</b>	<b>1 072 574</b>
<b>Total Liabilities</b>		<b>1 519 011</b>	<b>1 721 010</b>
<b>Total Equity and Liabilities</b>		<b>8 801 729</b>	<b>9 322 576</b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2019 R	2018 R
Revenue	12	11 138 365	10 553 884
Other income	13	787 442	606 561
Operating expenses		<u>(12 308 539)</u>	<u>(11 162 981)</u>
<b>Operating deficit</b>	14	<b>(382 732)</b>	<b>(2 536)</b>
Investment revenue	15	266 651	427 443
Finance costs	16	<u>(26 001)</u>	<u>(51 051)</u>
<b>(Deficit) surplus before taxation</b>		<b>(142 082)</b>	<b>373 856</b>
Taxation	17	<u>(176 766)</u>	<u>(206 500)</u>
<b>(Deficit) surplus for the year</b>		<b>(318 848)</b>	<b>167 356</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b><u>(318 848)</u></b>	<b><u>167 356</u></b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**STATEMENT OF CHANGES IN RESERVES**

	Capital development fund R	Special levy fund R	Total reserves R	Accumulated surplus R	Total equity R
<b>Balance at 01 June 2017</b>	<b>5 590 295</b>	<b>258 643</b>	<b>5 848 938</b>	<b>1 585 272</b>	<b>7 434 210</b>
Surplus for the year	-	-	-	167 356	167 356
Transfer from capital development fund	(5 590 295)	-	(5 590 295)	5 590 295	-
Transfer from special levy fund	-	(258 643)	(258 643)	258 643	-
<b>Balance at 01 June 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 601 566</b>	<b>7 601 566</b>
Deficit for the year	-	-	-	(318 848)	(318 848)
<b>Balance at 31 May 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 282 718</b>	<b>7 282 718</b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**STATEMENT OF CASH FLOWS**

	Notes	2019 R	2018 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		10 981 943	10 915 758
Cash paid to suppliers and employees		(11 822 544)	(10 992 585)
Cash used in operations	18	(840 601)	(76 827)
Interest income		266 651	427 443
Finance costs		(26 001)	(51 051)
Tax paid	19	-	(508 926)
<b>Net cash from operating activities</b>		<b>(599 951)</b>	<b>(209 361)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1 056 683)	(321 039)
Disposal of property, plant and equipment	2	47 051	-
Loans (advanced to)/repaid by related parties		(198 292)	(125 014)
<b>Net cash from investing activities</b>		<b>(1 207 924)</b>	<b>(446 053)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other financial liabilities		2 559	-
Finance lease (payments)/receipts		(95 626)	(79 253)
<b>Net cash from financing activities</b>		<b>(93 067)</b>	<b>(79 253)</b>
<b>Total cash movement for the year</b>		<b>(1 900 942)</b>	<b>(734 667)</b>
Cash at the beginning of the year		4 741 904	5 476 571
<b>Total cash at end of the year</b>	5	<b>2 840 962</b>	<b>4 741 904</b>

# **CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

### **ACCOUNTING POLICIES**

---

#### **1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Consitution. The 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 are 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 financial statements, are outlined as follows:

##### **Key sources of estimation uncertainty**

##### **Useful lives of property, plant and equipment**

The association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the trustees determined that no changing circumstances occurred.

##### **Residual values of property, plant and equipment**

The association reviews the estimated residual values of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the trustees determined that no changing circumstances occurred.

##### **Taxation**

Significant estimates are made to determine both current and deferred tax liabilities/ assets. The company must determine the possibility that deferred tax assets will be utilised and offset against future taxable profits. The actual results may differ from these estimates, for instance due to changes in business climate, changed tax legislation, or the outcome of the final review by the tax authorities and tax courts of tax returns.

#### **1.2 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

### ACCOUNTING POLICIES

---

#### 1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of property, plant and equipment have been assessed as follows:

---

<b>Item</b>	<b>Average useful life</b>
Buildings and equipment	3 years
Borehole	10 years
Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	2 - 6 years
Computer equipment	3 - 15 years
Gymnasium equipment	10 years
Other fixed assets	3 years
Security system	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

#### 1.3 INVESTMENTS IN SUBSIDIARY

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

#### 1.4 FINANCIAL INSTRUMENTS

##### Initial measurement

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

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

### ACCOUNTING POLICIES

---

#### 1.4 FINANCIAL INSTRUMENTS (continued)

##### 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 surplus or deficit.

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### 1.5 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.

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

##### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### Tax expenses

The association is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, levy income and recoveries are fully exempt. All other income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less a portion of deductible administrative expenses.

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

### ACCOUNTING POLICIES

---

#### 1.6 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

##### **Finance leases – lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

##### **Operating leases - lessor**

Operating lease income is recognised as an income on they are incurred unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

#### 1.7 IMPAIRMENT OF ASSETS

The association assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model 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 surplus or deficit.

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 surplus or deficit.

#### 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 REVENUE

Levies and recoveries are recognised as revenue once owners are invoiced. Ordinary levies are invoiced monthly, based on the proportional amount as per the approved budget. Other recoveries are recognised as and when due by the owners and are disclosed with the expenses to which they relate. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration receivable is the present value of all future receipts using the imputed rate of interest.

Levies have been accounted for on the accrual basis and therefore includes outstanding amounts owing by the owners.

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

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**ACCOUNTING POLICIES**

---

**1.10 BORROWING COSTS**

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

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
--	-----------	-----------

### 2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings and equipment	571 041	(156 026)	415 015	116 089	(35 265)	80 824
Furniture and fittings	178 849	(61 980)	116 869	81 040	(43 153)	37 887
Motor vehicles	269 835	(61 820)	208 015	269 835	(47 728)	222 107
Office equipment	13 305	(13 305)	-	13 305	(13 305)	-
Computer equipment	391 026	(231 763)	159 263	381 995	(189 359)	192 636
Borehole	61 639	(13 594)	48 045	61 639	(7 430)	54 209
Other fixed assets	290 341	(134 329)	156 012	186 089	(109 023)	77 066
Gymnasium equipment	374 780	(33 842)	340 938	104 464	(45 320)	59 144
Security system	1 628 411	(958 063)	670 348	1 607 827	(633 065)	974 762
<b>Total</b>	<b>3 779 227</b>	<b>(1 664 722)</b>	<b>2 114 505</b>	<b>2 822 283</b>	<b>(1 123 648)</b>	<b>1 698 635</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings and equipment	80 824	454 952	-	(120 761)	415 015
Furniture and fittings	37 887	103 309	(842)	(23 485)	116 869
Motor vehicles	222 107	-	-	(14 092)	208 015
Computer equipment	192 636	9 031	-	(42 404)	159 263
Borehole	54 209	-	-	(6 164)	48 045
Other fixed assets	77 066	121 418	-	(42 472)	156 012
Gymnasium equipment	59 144	347 389	(27 738)	(37 857)	340 938
Security system	974 762	20 584	-	(324 998)	670 348
	<b>1 698 635</b>	<b>1 056 683</b>	<b>(28 580)</b>	<b>(612 233)</b>	<b>2 114 505</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Buildings and equipment	85 638	29 177	(33 991)	80 824
Furniture and fittings	56 161	-	(18 274)	37 887
Motor vehicles	50 079	178 800	(6 772)	222 107
Computer equipment	228 767	8 694	(44 825)	192 636
Borehole	60 372	-	(6 163)	54 209
Other fixed assets	63 302	48 563	(34 799)	77 066
Gymnasium equipment	69 590	-	(10 446)	59 144
Security system	1 232 689	55 805	(313 732)	974 762
	<b>1 846 598</b>	<b>321 039</b>	<b>(469 002)</b>	<b>1 698 635</b>

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019	2018
	R	R

### 2. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Property, plant and equipment

Common property

Erven 1338, 1340, 1347, 1371, 1372, 1392, 1407, 1408, 1409, 1410, 1438, 1440, 1451, 1459, 1472, 1483, 1492, 1499, 1509, 1517, 1549, 1558, 1566, 1574 was transferred to the Homeowners Association between 4 January 2006 and 19 June 2006. These erven were transferred due to the fact that they include common features such as the Lifestyle centre, roads, vineyards and security buildings.

In addition to this, the following classes of assets were transferred to the Homeowners Association during the previous financial years at a zero net book value by the developers of the Croydon Vineyard Estate, Realty Dynamix 16 (Pty) Ltd:

- Buildings:	Building Construction
- Buildings:	Civil Engineering
- Plant and equipment:	Vineyard Construction
- Plant and equipment:	General landscaping
- Plant and equipment:	Winemaking
- Equipment:	Security assets
- Equipment:	Electronic equipment
- Equipment:	Gym equipment
- Equipment:	Kitchen equipment
- Office equipment:	Various
- Vehicles and machinery:	Various
- Furniture:	Fittings to Lifestyle centre

A fixed asset register is available for inspection at the registered office of the association.

#### Pledged as security (refer to note 6)

Computer equipment	<u>146 418</u>	<u>185 924</u>
--------------------	----------------	----------------

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

	2019 R	2018 R
<b>3. OTHER FINANCIAL ASSETS</b>		
<b>Equity Instruments at cost</b>		
Croydon Wine Company (Pty) Ltd	205	205
<b>At amortised cost</b>		
Croydon Wine Company (Pty) Ltd		
- Loan ceded by developer	569 341	569 341
At the end of the development period Croydon Vineyards Estate Homeowners Association received the investment in Croydon Wine Company (Pty) Ltd, consisting of the shares and outstanding loan.		
- Assets purchases	613 326	415 034
Funds were advanced from the capital development fund to Croydon Wine Company (Pty) Ltd. The loan bears no interest.		
	<b>1 182 667</b>	<b>984 375</b>
<b>Total other financial assets</b>	<b>1 182 872</b>	<b>984 580</b>
Repayments from Croydon Wine Company (Pty) Ltd are expected as and when funds are available. The entity has signed a letter of support in favour of Croydon Wine Company (Pty) Ltd.		
<b>Non-current assets</b>		
Equity Instruments at cost	205	205
At amortised cost	1 182 667	984 375
	<b>1 182 872</b>	<b>984 580</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	2 328 415	1 417 619
Sundry debtors	6 785	8 180
Deposits	322 698	306 708
	<b>2 657 898</b>	<b>1 732 507</b>

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Petty Cash	1 805	852
Bank balances	219 440	200 078
Short-term deposits	2 619 717	4 540 974
	<b>2 840 962</b>	<b>4 741 904</b>

The association has an investment of R500 000 which stands as security for a collection system.

## 6. FINANCE LEASE LIABILITIES

### Minimum lease payments which fall due

- within one year	50 673	120 110
- in second to fifth year inclusive	-	60 055
	50 673	180 165
Less: future finance charges	(1 693)	(35 559)
<b>Present value of minimum lease payments</b>	<b>48 980</b>	<b>144 606</b>

Non-current liabilities	-	58 590
Current liabilities	48 980	86 016
	<b>48 980</b>	<b>144 606</b>

It is homeowners association policy to lease certain computer equipment under finance leases.

Interest rates are fixed at the contract date. All leases have fixed repayments and include a purchase option. There are no restrictions imposed by the leases.

The homeowners association's obligations under finance leases are secured by the leased assets. Refer note 2.

## 7. DEFERRED GAIN

Loan from developer acquired at the end of the development period.	569 341	569 341
--	---------	---------

Refer to note 3.

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
<b>8. DEFERRED TAX</b>		
Deferred tax liability	(38 338)	(25 968)
Deferred tax asset	525	5 463
<b>Total net deferred tax liability</b>	<b>(37 813)</b>	<b>(20 505)</b>
The major components of the deferred tax balance are as follows:		
<b>Deferred tax liability</b>		
<b>Arising as a result of temporary differences on:</b>		
Capital allowance for tax purposes on fixed assets	(38 338)	(25 968)
<b>Deferred tax asset</b>		
<b>Arising as a result of temporary differences on:</b>		
Temporary difference on income received in advance	525	5 463
<b>Reconciliation of deferred tax asset/(liability)</b>		
At beginning of year	(20 505)	(2 199)
<b>Recognised in surplus or deficit:</b>		
Originating temporary differences on tangible fixed assets	(12 370)	(2 821)
Originating/(Reversing) temporary differences on income received in advance	(4 938)	5 463
(Reversing)/Originating temporary difference on accrued expenses	-	(20 948)
	<b>(17 308)</b>	<b>(18 306)</b>
<b>At end of year</b>	<b>(37 813)</b>	<b>(20 505)</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
Trade payables	494 536	450 188
Income received in advance - Functions	1 875	19 511
South African Revenue Services - Payroll related	9 648	61 425
Deposits - Erf	40 443	105 443
Deposits - Functions	3 500	10 700
Levies received in advance	310 211	339 186
	<b>860 213</b>	<b>986 453</b>
<b>10. OTHER FINANCIAL LIABILITIES</b>		
<b>At amortised cost</b>		
Croydon Wine Company (Pty) Ltd	2 664	105

The loan bears no interest, is unsecured and repayments are expected as and when funds are available.

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
--	-----------	-----------

### 11. CAPITAL DEVELOPMENT FUND: EXPENDITURE

	2019		2018	
	Assets	Equity	Assets	Equity
Security gate motor	-	-	-	1 215
Projector	-	-	-	1 583
Bush cutter	-	379	380	5 517
Gates	-	3 080	3 083	6 166
Trailer	5 415	4 332	9 747	4 332
Kiosk assets	103 039	9 797	9 528	2 932
Croydon Wine Company (Pty) Ltd loan	613 326	-	415 034	-
Landscaping and design, lights and plugs	-	292 845	-	410 459
Borehole and pump	48 044	6 164	54 208	6 164
Lifestyle centre upgrades	415 016	120 760	80 824	169 755
Wine machinery	11 484	3 555	15 039	3 555
Office additions	12 848	2 898	6 712	2 664
Water Crisis	-	3 793	-	114 103
Motor vehicle	166 600	9 760	176 360	13 607
Airconditioner	-	-	-	11 374
Security system	73 402	15 472	52 478	3 327
Water pump, tanks, flow bin	49 149	12 785	16 698	2 464
Wooden gates	28 459	3 674	23 683	5 717
Gutter and pipes	18 554	1 686	-	-
Playpark upgrade	17 496	6 694	-	-
Gym upgrade	319 979	27 410	-	-
	<b>1 882 811</b>	<b>525 084</b>	<b>863 774</b>	<b>764 934</b>

An amount of R768 471 was recovered for development fund purposes.

### 12. REVENUE

Rendering of services - Water and electricity	3 571 454	3 037 944
Grape sales	357 814	332 565
Additional levy income	482 080	505 515
Penalty levy	55 020	37 725
Levy income	6 509 025	6 300 590
Building operation income	101 497	257 490
Other recoveries	61 475	82 055
	<b>11 138 365</b>	<b>10 553 884</b>

### 13. OTHER INCOME

Profit on sale of assets and liabilities	18 471	-
Borehole water	147 600	117 150
Rental income	151 165	139 968
Expense recoveries	371 313	239 828
Olive oil sales	14 306	19 400
Functions	62 937	83 465
Sundry income	21 650	6 750
	<b>787 442</b>	<b>606 561</b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

	2019 R	2018 R
<b>14. OPERATING DEFICIT</b>		
Operating surplus for the year is stated after accounting for the following:		
Gains on disposal of assets	18 471	-
Depreciation on property, plant and equipment	612 233	469 002
Employee costs	2 448 388	2 312 785
	<u>2 468 852</u>	<u>2 781 787</u>
<b>15. INVESTMENT REVENUE</b>		
<b>Interest revenue</b>		
Bank	231 371	354 599
Trade receivables	19 289	54 696
Other receivables	15 991	18 148
	<u>266 651</u>	<u>427 443</u>
<b>16. FINANCE COSTS</b>		
South African Revenue Service	13	175
Trade payables	-	9
Finance lease	25 988	50 867
	<u>26 001</u>	<u>51 051</u>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

	2019 R	2018 R
<b>17. TAXATION</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
Local income tax - current period	159 458	188 194
<b>Deferred taxation</b>		
Reversing temporary difference on tangible fixed assets	12 370	2 821
(Originating)/Reversing temporary difference on income received in advance	4 938	(5 463)
Reversing/(Originating) temporary difference on accrued expenses	-	20 948
	<b>17 308</b>	<b>18 306</b>
	<b>176 766</b>	<b>206 500</b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting surplus and tax expense.		
Accounting (deficit) surplus	(142 082)	373 856
Tax at the applicable tax rate of 28% (2018: 28%)	(39 783)	104 680
<b>Tax effect of adjustments on taxable income</b>		
Income subject to the income tax act section 10(1)(e)(i)	(1 972 915)	(1 916 272)
Expenses subject to the income tax act section 10(1)(e)(i)	1 872 200	1 728 844
Exemption subject to income tax act section 10(1)(e)(ii)	(14 000)	(14 000)
Non-deductible expenses	329 914	302 525
Non-deductible interest	4	49
Non-deductible penalties	1 346	674
	<b>176 766</b>	<b>206 500</b>
<b>18. CASH USED IN OPERATIONS</b>		
(Deficit) surplus before taxation	(142 082)	373 856
<b>Adjustments for:</b>		
Depreciation	612 233	469 002
Surplus on sale of assets	(18 471)	-
Interest received	(266 651)	(427 443)
Finance costs	26 001	51 051
<b>Changes in working capital:</b>		
Trade and other receivables	(925 393)	(244 686)
Trade and other payables	(126 238)	(298 607)
	<b>(840 601)</b>	<b>(76 827)</b>
<b>19. TAX PAID</b>		
Balance at beginning of the year	164 950	(155 782)
Current tax for the year recognised in loss	(159 458)	(188 194)
Balance at end of the year	(5 492)	(164 950)
	<b>-</b>	<b>(508 926)</b>

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
<b>20. RELATED PARTIES</b>		
<b>Relationships</b>		
Entities under control of key management		Croydon Wine Company (Pty) Ltd
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Entities under control of key management	1 180 003	984 375
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Entities under control of key management	1 924 117	836 698
<b>Related party transactions</b>		
<b>Purchases from (sales to) related parties</b>		
Entities under control of key management	1 070 100	990 150
Entities under control of key management	(356 400)	(367 800)
<b>Rent paid to (received from) related parties</b>		
Entities under control of key management	(151 165)	(139 968)
<b>Insurance paid to (received from) related parties</b>		
Entities under control of key management	(39 690)	(37 800)

# CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

## DETAILED STATEMENT OF FINANCIAL PERFORMANCE

		2019 R	2018 R
<b>Revenue</b>			
Rendering of services - Water, electricity and sewerage		3 571 454	3 037 944
Grape sales		357 814	332 565
Other recoveries		61 475	82 055
Additional levy income		482 080	505 515
Penalty levies		55 020	37 725
Levy income		6 509 025	6 300 590
Building operation income		101 497	257 490
	12	<b>11 138 365</b>	<b>10 553 884</b>
<b>Other income</b>			
Expense recoveries		371 313	239 828
Fees earned		147 600	117 150
Functions		62 937	83 465
Gains on disposal of assets		18 471	-
Interest received	15	266 651	427 443
Olive oil sales		14 306	19 400
Rental income		151 165	139 968
Sundry income		21 650	6 750
		<b>1 054 093</b>	<b>1 034 004</b>
<b>Expenses (Refer to page 28)</b>		<b>(12 308 539)</b>	<b>(11 162 981)</b>
<b>Operating (deficit) surplus</b>	14	<b>(116 081)</b>	<b>424 907</b>
Finance costs	16	(26 001)	(51 051)
<b>(Deficit) surplus before taxation</b>		<b>(142 082)</b>	<b>373 856</b>
Taxation	17	(176 766)	(206 500)
<b>(Deficit) surplus for the year</b>		<b>(318 848)</b>	<b>167 356</b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**

	2019 R	2018 R
<b>Operating expenses</b>		
Administration	272 134	248 884
Bad debts	13 855	208 444
Borehole water expense	126 300	57 670
Building and equipment	238 329	181 376
Building operations	155 981	244 713
Depreciation, amortisation and impairments	612 233	469 002
Electricity and water	3 786 567	3 012 149
Employee costs	2 448 388	2 312 785
Finance	378 371	315 243
Fines and penalties	4 805	(5 432)
Functions	8 248	8 975
Landscaping	539 526	391 992
Lifestyle centre	57 123	69 157
Management fees - Vineyard	172 530	162 000
Pool and gym	57 449	70 147
Reserve fund expenses	340 665	736 728
Security	1 820 697	1 569 529
Vineyard expenses	205 238	119 469
Wine purchases	1 070 100	990 150
	<b><u>12 308 539</u></b>	<b><u>11 162 981</u></b>

**CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

**TAX COMPUTATION**

	2019 R
Net loss per income statement	(142 082)
<b>Permanent differences (Non-deductible/Non taxable items)</b>	
Income subject to the income tax act section 10(1)(e)(i)	(7 046 125)
Expenses subject to the income tax act section 10(1)(e)(i)	6 686 429
Exemption subject to the income tax act section 10(1)(e)(ii)	(50 000)
Interest, penalties paid in respect of taxes (s23(d))	4 819
Non-deductible expenses	853 266
Depreciation	324 998
	<b>773 387</b>
<b>Temporary differences</b>	
Amounts previously taxed as received in advance	(19 511)
Amounts received in advance - current year	1 875
Accounting profit on sale of assets	(18 471)
Recoupment on sale of assets	19 311
Depreciation according to financial statements	287 235
Wear and tear allowance	(332 251)
	<b>(61 812)</b>
Assessed loss brought forward	-
<b>Taxable income for 2019</b>	<b>569 493</b>
<b>Tax thereon @ 28% in the Rand</b>	<b>159 458</b>
<b>Reconciliation of tax balance</b>	
Amount owing/(prepaid) at the beginning of year	(164 950)
Prior year adjustment	-
Amount refunded/(paid) in respect of prior year	-
<b>Tax owing/(prepaid) for the current year:</b>	
<b>Normal tax</b>	
Per calculation	159 458
1st provisional payment	-
2nd provisional payment	-
Other payments	-
<b>Amount owing/(prepaid) at the end of year</b>	<b>(5 492)</b>