



# Assurance engagement completion pack

Portside Body Corporate 30 September 2022 Year End

mazars



15 December 2022

Portside Body Corporate  
c/o Sandak-Lewin Trust  
64 Roeland Street  
Drury Lane  
Gardens  
Cape Town  
8001

Dear Sirs,

**Signing pack: Portside Body Corporate – 30 September 2022 Year End**

We have completed our audit engagement for the abovementioned Body Corporate for the year ended 30 September 2022. Included in this signing pack, we have enclosed various documents and reports for your attention and signature.

Please ensure the correct party signs the documents as indicated in the table below:

#	Description	Who must sign
1	Trustees Responsibility and Approval	Trustee(s)
2	Draft Management Representation Letter	Trustee and Managing Agent
3	Final trial balance	Managing Agent
4	Adjusting audit journals	Managing Agent
5	Reclassifying journal	Managing Agent
6	Draft annual financial statements for review	No signature required (for review only)
7	ISA 265 Report	Trustee(s)
8	Subsequent events assessment	Managing Agent

Please be so kind as to return the signed documents, as guided above, to us as soon as possible. We will only be able to sign the audit report once the above information is received. Please also provide a copy of the budget that was approved at the AGM to allow us to conclude on going concern.

If you have any questions, please don't hesitate to contact us.

Yours faithfully

**Wihann Rabe**  
Partner  
Mazars

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Trustees' Responsibilities and Approval**

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate 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 of 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 of the annual financial statements and 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 body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board 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 body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate 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 annual 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 body corporate's cash flow forecast for the year to 30 September 2023 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are aware of the legislation that was introduced by the Sectional Titles Schemes Management Act 2011(Act No. 8 of 2011) on 7 October 2016. This legislation requires that the body corporate, in terms of Section 3(1)(b) establish and maintain a reserve fund in such amounts as are reasonably sufficient to cover the cost of future maintenance and repair of common property, but not less than such amounts as may be prescribed by the Minister.

Although the trustees are primarily responsible for the financial affairs of the body corporate, they are supported by the body corporate's external auditor.

The external auditors are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 9 to 17, which have been prepared on the going concern basis, were approved by the trustees and were signed on their behalf by:

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

15 December 2022

Mazars  
P.O. Box 134  
Century City  
7446

**Management Representation Letter**

Financial statements of : Portside Body Corporate  
For the year ended : 30 September 2022

Dear Sirs,

This representation letter is provided in connection with your audit of the annual financial statements of Portside Body Corporate for the year ended 30 September 2022 for the purpose of expressing an opinion as to whether the annual financial statements fairly present the financial position of the Body Corporate as of 30 September 2022 and of the results of its operations and its cash flows for the year then ended in accordance with the accounting policies and the accounting framework for the compilation of the annual financial statements.

**The Trustees acknowledge their responsibility for:**

- a. The fair presentation of the annual financial statements in accordance with the accounting policies.
- b. The implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

**The Trustees confirm, to the best of their knowledge, and belief, the following representations:**

1. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
2. The Trustees have disclosed to you all significant facts relating to any frauds or suspected frauds known that may have affected the scheme.
3. The Trustees have disclosed to you the results of their assessment of the risk that the annual financial statements may be materially misstated as a result of fraud. The board of Trustees' risk assessment did not identify any significant fraud risks.
4. There has been no contravention of the accounting policies.
5. The Body Corporate's accounting policies and the methods followed in applying them are as disclosed in the annual financial statements and there have been no changes during the year in the Body Corporate's accounting policies.
6. The Trustees have made available to you all books of account and supporting documentation and all minutes of meetings of the Members and the board of Trustees.
7. The Trustees have advised you of all actions taken at Trustees meetings or management meetings (or similar bodies as applicable) that may affect the annual financial statements.
8. All changes, transfers, appointments and resignations have been properly and completely recorded in the Body Corporate's statutory records.

If signed by hand, all please initial here:

9. The annual financial statements are free of material misstatements, including omissions. The Trustees consider the effect of uncorrected misstatements to be immaterial, both individually and in aggregate. The financial statements fairly present the state of affairs and results of operations of the Body Corporate and are in conformity with the accounting policies.
10. The Body Corporate has complied with all aspects of contractual agreements that could have a material effect on the annual financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the annual financial statements in the event of non-compliance.
11. The following have been properly recorded and when appropriate, adequately disclosed in the annual financial statements:
  - a. Assets, loans and investments ceded or pledged as collateral.
  - b. Losses arising from the reduction of current assets to net realisable value, where appropriate.
  - c. Unasserted claims or assessments that the Body Corporate's legal advisor has advised the Trustees are probable of assertion.
12. The Trustees have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the annual financial statements.
13. The Body Corporate has satisfactory title to all assets and there are no liens or encumbrances on the Body Corporate's assets, except for those that are disclosed in the notes to the annual financial statements.
14. The Trustees have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the annual financial statements all guarantees that the Trustees have given to third parties.
15. There have been no events subsequent to period end which require adjustment of or disclosure in the annual financial statements or notes thereto.
16. Except as disclosed in the annual financial statements, the results of operations for the year were not materially affected by transactions of an extraordinary or abnormal nature or items relating to a prior year.
17. All known actual or possible non-compliance with laws and regulations, the effects of which should be considered when preparing annual financial statements, have been disclosed to you.
18. All income has been included in the annual financial statements.
19. All final adjusting entries have been approved by ourselves, are appropriate and have been entered in the accounting records
20. PAYE and other payroll deductions have, where applicable, been correctly deducted and paid to SARS.
21. The annual financial statements have been prepared on the basis of accounting practices applicable to a going concern; after making enquiries we have no reason to believe that the Body Corporate will not be a going concern in the year ahead.
22. We have discussed insurable risks with our insurance advisors and are satisfied that the insurance (including political and fidelity cover), is both current and accurate.
23. All transaction undertaken:
  - a. Have been included in the annual financial statements;

If signed by hand, all please initial here:

- b. Were in the normal course of business; and
- c. Were at arm's length.

**Yours faithfully**

Signed on behalf of the Body Corporate by:

\_\_\_\_\_  
**Trustee** Name and Surname

\_\_\_\_\_  
Signature and Date

\_\_\_\_\_  
**Managing Agent** Name and Surname

\_\_\_\_\_  
Signature and Date

If signed by hand, all please initial here:

15 December 2022

Mazars  
P.O. Box 134  
Century City  
7446

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For the year ended : 30 September 2022

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**The Trustees acknowledge their responsibility for:**

- a. The fair presentation of the annual financial statements in accordance with the accounting policies.
- b. The implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

**The Trustees confirm, to the best of their knowledge, and belief, the following representations:**

1. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
2. The Trustees have disclosed to you all significant facts relating to any frauds or suspected frauds known that may have affected the scheme.
3. The Trustees have disclosed to you the results of their assessment of the risk that the annual financial statements may be materially misstated as a result of fraud. The board of Trustees' risk assessment did not identify any significant fraud risks.
4. There has been no contravention of the accounting policies.
5. The Body Corporate's accounting policies and the methods followed in applying them are as disclosed in the annual financial statements and there have been no changes during the year in the Body Corporate's accounting policies.
6. The Trustees have made available to you all books of account and supporting documentation and all minutes of meetings of the Members and the board of Trustees.
7. The Trustees have advised you of all actions taken at Trustees meetings or management meetings (or similar bodies as applicable) that may affect the annual financial statements.
8. All changes, transfers, appointments and resignations have been properly and completely recorded in the Body Corporate's statutory records.

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9. The annual financial statements are free of material misstatements, including omissions. The Trustees consider the effect of uncorrected misstatements to be immaterial, both individually and in aggregate. The financial statements fairly present the state of affairs and results of operations of the Body Corporate and are in conformity with the accounting policies.
10. The Body Corporate has complied with all aspects of contractual agreements that could have a material effect on the annual financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the annual financial statements in the event of non-compliance.
11. The following have been properly recorded and when appropriate, adequately disclosed in the annual financial statements:
  - a. Assets, loans and investments ceded or pledged as collateral.
  - b. Losses arising from the reduction of current assets to net realisable value, where appropriate.
  - c. Unasserted claims or assessments that the Body Corporate's legal advisor has advised the Trustees are probable of assertion.
12. The Trustees have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the annual financial statements.
13. The Body Corporate has satisfactory title to all assets and there are no liens or encumbrances on the Body Corporate's assets, except for those that are disclosed in the notes to the annual financial statements.
14. The Trustees have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the annual financial statements all guarantees that the Trustees have given to third parties.
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19. All final adjusting entries have been approved by ourselves, are appropriate and have been entered in the accounting records
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21. The annual financial statements have been prepared on the basis of accounting practices applicable to a going concern; after making enquiries we have no reason to believe that the Body Corporate will not be a going concern in the year ahead.
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23. All transaction undertaken:
  - a. Have been included in the annual financial statements;

If signed by hand, all please initial here:



- b. Were in the normal course of business; and
- c. Were at arm's length.

**Yours faithfully**

Signed on behalf of the Body Corporate by:

\_\_\_\_\_  
**Trustee** Name and Surname

\_\_\_\_\_  
Signature and Date

\_\_\_\_\_  
**Managing Agent** Name and Surname

\_\_\_\_\_  
Signature and Date

If signed by hand, all please initial here:

**The Body Corporate of Portside**  
**Year End: 30 September 2022**  
**Final trial balance**

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.30

Account	Prelim	Adj's	Reclass	Rep	Rep 09/21	%Chg	L/S
8470/000 Maintenance Reserve Acc	1,223,891.50	0.00	0.00	1,223,891.50	1,291,473.38	-5	32.20.15.006
TA01 Taxation I/S	0.00	2,789.78	0.00	2,789.78	0.00	0	50.30.10
1000/010 Levies	2,882,432.55	38,894.60	0.00	2,843,537.95	2,778,235.68	2	60.30.10.000
1000/015 Reserve Levies	-508,664.85	0.00	0.00	-508,664.85	-490,279.92	4	80.30.15.000
1000/030 Exclusive Use Contributor	-304,685.16	0.00	0.00	-304,685.16	-293,674.20	4	60.30.25.000
1000/100 CSOS levies received	0.00	0.00	-19,826.49	-19,826.49	-19,700.73	1	60.30.50.000
2900/116 Interest on Investment - A	-762.26	0.00	0.00	-762.26	-2,837.82	-73	61.30.20
2900/117 Interest on Investment - R	-46,041.80	0.00	0.00	-46,041.80	-32,519.84	42	61.30.20
1005/000 Rent Receivable	-12,000.00	0.00	0.00	-12,000.00	-13,200.00	-9	64.30.30.000
1020/010 Residential	-1,200.00	0.00	0.00	-1,200.00	0.00	0	64.30.30.000
2900/100 Insurance Claims	-5,936.00	0.00	0.00	-5,936.00	0.00	0	66.30.00.000
3000/030 Audit Fees	-15.00	11,950.00	0.00	11,935.00	11,396.25	5	66.30.00.000
4100/005 Administration Fees	6,172.37	0.00	0.00	6,172.37	5,795.72	6	66.30.00.000
4100/010 CSOS levies paid	0.00	0.00	19,826.49	19,826.49	19,700.73	1	66.30.00.000
4100/020 Bank Charges	3,268.90	0.00	0.00	3,268.90	3,092.50	6	66.30.00.000
4100/030 Cleaning	272,072.45	0.00	0.00	272,072.45	265,517.45	2	66.30.00.000
4100/040 Cleaning Materials	2,523.10	0.00	0.00	2,523.10	2,665.93	-5	66.30.00.000
4100/070 Electronic Communication	4,317.65	0.00	0.00	4,317.65	4,638.91	-7	66.30.00.000
4100/080 Insurance	206,860.52	0.00	0.00	206,860.52	192,323.82	8	66.30.00.000
4100/090 Lift Maintenance Contracts	82,272.21	0.00	0.00	82,272.21	77,678.82	6	66.30.00.000
4100/092 Management Fees	172,707.17	0.00	0.00	172,707.17	157,006.46	10	66.30.00.000
4100/110 Post & Petties	51.75	0.00	0.00	51.75	113.85	-55	66.30.00.000
4100/130 Security Contracts	969,094.34	0.00	0.00	969,094.34	894,072.03	8	66.30.00.000
4175/021 Refuse - area cleaning	0.00	0.00	0.00	0.00	79,167.67	-100	66.30.00.000
4175/100 Electricity	552,477.76	0.00	0.00	552,477.76	462,826.90	19	66.30.00.000
4175/500 Rates	681.91	0.00	0.00	681.91	655.22	4	66.30.00.000
4175/600 Recycling	12,013.45	0.00	0.00	12,013.45	12,517.16	-4	66.30.00.000
4175/700 Refuse	238,110.11	0.00	0.00	238,110.11	178,402.52	33	66.30.00.000
4175/800 Sewerage	302,167.08	0.00	0.00	302,167.08	242,514.99	25	66.30.00.000
4175/900 Water	392,457.52	0.00	0.00	392,457.52	236,405.53	66	66.30.00.000
4175/950 Water Fixed Rate	0.00	0.00	0.00	0.00	18,026.27	-100	66.30.00.000
4350/060 Doors and Windows	19,275.00	0.00	0.00	19,275.00	4,582.75	321	66.30.00.000
4350/070 DSiv	2,654.20	0.00	0.00	2,654.20	1,719.25	54	66.30.00.000
4350/080 Electrical	16,136.01	0.00	0.00	16,136.01	52,707.23	-69	66.30.00.000
4350/082 Electric Fencing	0.00	0.00	0.00	0.00	3,000.00	-100	66.30.00.000
4350/100 Fire Equipment	6,279.00	0.00	0.00	6,279.00	18,777.20	-67	66.30.00.000
4350/120 General	29,002.00	0.00	0.00	29,002.00	149,628.67	-81	66.30.00.000
4350/125 Gardening	18,345.07	0.00	0.00	18,345.07	5,246.25	250	66.30.00.000
4350/180 Remotes, Locks & Keys	2,087.50	0.00	0.00	2,087.50	1,776.75	17	66.30.00.000
4350/190 Lifts	637.17	0.00	0.00	637.17	22,508.88	-97	66.30.00.000
4350/300 Painting	5,000.00	0.00	0.00	5,000.00	14,219.00	-65	66.30.00.000
4350/320 Pest Control	37,395.70	0.00	0.00	37,395.70	29,819.50	25	66.30.00.000
4350/340 Plumbing	58,969.55	0.00	0.00	58,969.55	3,134.50	1781	66.30.00.000
4350/360 Pool	42,252.75	0.00	0.00	42,252.75	28,203.10	50	66.30.00.000
4350/410 Security & Access Control	58,620.00	0.00	0.00	58,620.00	98,678.30	-41	66.30.00.000
4350/440 Tiling	0.00	0.00	0.00	0.00	1,743.20	-100	66.30.00.000
4350/500 Waterproofing	60,892.30	0.00	0.00	60,892.30	4,800.00	1169	66.30.00.000
4380/060 Doors and Windows	103,275.74	0.00	0.00	103,275.74	0.00	0	66.30.00.000
4400/100 Salaries & Wages	0.00	0.00	0.00	0.00	11,700.00	-100	66.30.00.000
4500/184 Gratuities	2,500.00	0.00	0.00	2,500.00	2,000.00	25	66.30.00.000
4500/220 Legal Fees	0.00	0.00	0.00	0.00	27,772.50	-100	66.30.00.000
4500/228 Other General Costs	5,382.49	0.00	0.00	5,382.49	1,790.00	201	66.30.00.000
4500/230 Professional Fees	6,473.50	0.00	0.00	6,473.50	3,622.50	79	66.30.00.000
4500/288 Supervisory Services	24,000.00	0.00	0.00	24,000.00	26,000.00	-8	66.30.00.000
4500/330 Valuation Fees Paid	4,600.00	0.00	0.00	4,600.00	0.00	0	66.30.00.000
6350/010 @ Cost	9,987.80	0.00	0.00	9,987.80	9,987.80	0	20.20.10.001
6600/010 @ Cost	71,266.44	0.00	0.00	71,266.44	71,266.44	0	20.20.10.001

15/12/2022  
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**The Body Corporate of Portside**  
**Year End: 30 September 2022**  
**Final trial balance**

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.30-1

Account	Prelim	Adj's	Reclass	Rep	Rep 09/21	%Chg	L/S
6350/020 Accum Depreciation	-9,987.80	0.00	0.00	-9,987.80	-9,987.80	0	20.20.10.005
6600/020 Accum Depreciation	-71,266.44	0.00	0.00	-71,266.44	-71,266.44	0	20.20.10.005
9300/000 Taxation Payable	-1,011.00	-2,788.78	0.00	-3,800.78	-1,011.00	276	50.22.25.001
8450/000 Savings Account	94,053.27	0.00	0.00	94,053.27	50,650.53	86	32.20.15.002
8010/000 Debtors Control	17,821.51	-38,894.60	96,847.81	75,774.72	65,993.92	15	31.20.10.001
8100/000 Accounts Receivable	1,151.85	0.00	-1,151.85	0.00	0.00	0	31.20.10.007
8100/001 Sundry debtor - Legal fees	0.00	0.00	1,151.85	1,151.85	0.00	0	31.20.10.008
5200/000 Retained Income / (Accru	452,352.11	73,373.03	0.00	525,725.14	704,748.99	-25	40.24
8023/000 CSOS Levy	-8,629.79	0.00	0.00	-8,629.79	-13,133.82	-50	51.20.00.001
9000/000 Supplier Control Account	-203,380.69	0.00	203,380.42	-0.27	-0.26	4	51.20.00.001
9200/020 Other Accruals	-122,054.82	0.00	122,054.82	0.00	0.00	0	51.20.00.001
8010/090 Levies received in advanc	0.00	0.00	-96,847.81	-96,847.81	-116,647.81	-17	51.20.00.002
8045/005 Alteration Deposits	-2,000.00	0.00	0.00	-2,000.00	-2,000.00	0	51.20.00.004
9200/010 Accruals - Audit fees	0.00	-11,950.00	0.00	-11,950.00	-11,400.00	5	51.20.00.007
9200/202 Accruals - Electricity	0.00	0.00	-90,433.04	-90,433.04	-49,131.54	84	51.20.00.007
9200/205 Accruals - Refuse	0.00	0.00	-31,943.36	-31,943.36	-30,420.26	5	51.20.00.007
9200/206 Accruals - Repairs and me	0.00	0.00	0.00	0.00	-23,371.00	-100	51.20.00.007
9200/207 Accruals - Sewerage	0.00	0.00	-52,836.14	-52,836.14	-42,429.44	25	51.20.00.007
9200/208 Accruals - Security	0.00	0.00	-81,602.13	-81,602.13	-76,299.33	7	51.20.00.007
9200/303 Accruals - Lift maintenanc	0.00	0.00	0.00	0.00	-25,128.88	-100	51.20.00.007
9200/302 Accruals - Water	0.00	0.00	-68,620.57	-68,620.57	-56,014.01	23	51.20.00.010
5300/100 MRF - Levies raised	0.00	-508,664.85	0.00	-508,664.85	-490,278.20	4	40.22.00.009
5300/200 MRF - Interest earned	0.00	-46,041.80	0.00	-46,041.80	-32,519.84	42	40.22.00.009
5300/300 MRF - Bank charges	0.00	6,011.96	0.00	6,011.96	5,138.90	17	40.22.00.009
7400/000 Maintenance Reserve Equ	-1,413,482.59	475,321.66	0.00	-938,160.93	-895,823.45	5	40.22.00.009
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	
<b>Net Income (Loss)</b>	<b>40,711.35</b>			<b>-12,923.03</b>	<b>252,397.88</b>	<b>-105</b>	

**The Body Corporate of Portside**  
 Year End: 30 September 2022  
 Adjusting journal entries  
 Date: 01/10/2021 To 30/09/2022

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.40

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments							40,711.35			
4	30/09/2022	Audit Fees	3000/030	10.40	11,950.00					
4	30/09/2022	Accruals - Audit fees	8200/010	10.40		11,950.00				
Current year audit fee accrual raised					11,950.00	11,950.00	28,761.35	-11,950.00		
7	30/09/2022	Taxation I/S	TA01	50.40	2,789.78					
7	30/09/2022	Taxation Payable	9300/000	50.40		2,789.78				
Current year tax provision raised					2,789.78	2,789.78	25,971.57	-2,789.78		
8	30/09/2022	Retained Income / (Accumulated Los	5200/000		73,373.03					
8	30/09/2022	MRF - Levies raised	5300/100			508,664.85				
8	30/09/2022	MRF - Interest earned	5300/200			46,041.80				
8	30/09/2022	MRF - Bank charges	5300/300		6,011.96					
8	30/09/2022	Maintenance Reserve Equity	7400/000		372,045.91					
8	30/09/2022	Maintenance Reserve Equity	7400/000		103,275.75					
Journal passed to update the maintenance reserve fund provision to account for reserve movement for the year					554,706.65	554,706.65	25,971.57	0.00		
9	30/09/2022	Levies	1000/010		38,894.60					
9	30/09/2022	Debtors Control	8010/000			38,894.60				
Write off of the BDY00120001					38,894.60	38,894.60	-12,923.03	-38,894.60		

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**The Body Corporate of Portside**  
 Year End: 30 September 2022  
 Adjusting journal entries  
 Date: 01/10/2021 To 30/09/2022

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.40-1

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					608,341.03	608,341.03	-12,923.03	-53,634.38		

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**The Body Corporate of Portside**  
 Year End: 30 September 2022  
 Reclassifying Journal entries  
 Date: 01/10/2021 To 30/09/2022

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.40.10

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments							-12,923.03			
1	30/09/2022	Debtors Control	8010/000	30.40	96,847.81					
1	30/09/2022	Levies received in advance	8010/080	30.40		96,847.81				
RECLASSIFYING DEBTORS IN ADVANCE										
					96,847.81	96,847.81	-12,923.03	0.00		
2	30/09/2022	Other Accruals	9200/020	51.40	122,054.82					
2	30/09/2022	Accruals - Electricity	9200/202	51.40		40,004.67				
2	30/09/2022	Accruals - Refuse	9200/205	51.40		15,971.68				
2	30/09/2022	Accruals - Sewerage	9200/207	51.40		28,881.78				
2	30/09/2022	Accruals - Water	9200/302	51.40		37,196.69				
Reclassify the accruals for the year					122,054.82	122,054.82	-12,923.03	0.00		
3	30/09/2022	Accounts Receivable	8100/000			1,151.85				
3	30/09/2022	Sundry debtor - Legal fees recoverab	8100/001		1,151.85					
Accounts receivable reallocated for disclosure purposes					1,151.85	1,151.85	-12,923.03	0.00		
5	30/09/2022	Supplier Control Account	9000/000	51.40	203,380.42					
5	30/09/2022	Accruals - Electricity	9200/202	51.40		50,428.37				
5	30/09/2022	Accruals - Refuse	9200/205	51.40		15,971.68				
5	30/09/2022	Accruals - Sewerage	9200/207	51.40		23,854.36				
5	30/09/2022	Accruals - Security	9200/208	51.40		81,602.13				
5	30/09/2022	Accruals - Water	9200/302	51.40		31,423.88				
Supplier control account split for disclosure purposes										

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**The Body Corporate of Portside**  
 Year End: 30 September 2022  
 Reclassifying Journal entries  
 Date: 01/10/2021 To 30/09/2022

Planning by	Prepared by	Manager review	Partner review
BS1 07/12/2022	BS1 07/12/2022	TA2 07/12/2022	

00.40.10-1

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					203,380.42	203,380.42	-12,923.03	0.00		
6	30/09/2022	CSOS levies received	1000/100			19,826.49				
6	30/09/2022	CSOS levies paid	4100/010		19,826.49					
CSOS levy income and expense amount split based on movement in the control account					19,826.49	19,826.49	-12,923.03	0.00		
					<b>443,261.39</b>	<b>443,261.39</b>	<b>-12,923.03</b>	<b>0.00</b>		

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**THE BODY CORPORATE OF PORTSIDE  
(Scheme number SS 513 / 2006)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Draft

**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**General Information**

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	A controlling body of the common property registered as a body corporate in terms of the Sectional Title Schemes Management Act, No 8 of 2011.
<b>Trustees</b>	Mr A Cohen Mr J Munitz Mr H Stern Ms L Sandak Lewin Mr M Sandak Lewin
<b>Bankers</b>	Nedbank Limited
<b>Managing agent</b>	Sandak-Lewin Trust
<b>Address of the scheme</b>	1 Upper Portswood Road Green Point Cape Town 8051
<b>Units</b>	66
<b>Auditors</b>	Mazars Registered Auditors
<b>Compiler</b>	The annual financial statements were independently compiled by: Norman Silbowitz Chartered Accountant (SA)
<b>Body Corporate scheme number</b>	SS 513 / 2006
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011). The annual financial statements have been prepared in accordance with the body corporate's own accounting policies as outlined in Note 1 of the annual financial statements.
<b>Issued</b>	15 December 2022

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Index**

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

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Trustees' Responsibilities and Approval	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 - 14
Notes to the Annual Financial Statements	15 - 17

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

Annexure 1 - Schedule of levies in arrears and in advance	18
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[www.mazars.co.za](http://www.mazars.co.za)

## Independent Auditor's Report

### To the members of Portside Body Corporate

#### Opinion

We have audited the annual financial statements of Portside Body Corporate set out on pages 9 to 17, which comprise the statement of financial position as at 30 September 2022, statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Portside Body Corporate as at 30 September 2022, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as described in Note 1 of the annual financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), the Sectional Titles Schemes Management Regulations, 2016 and the Management Rules of the body corporate established in terms thereof.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the body corporate 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 annual 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 (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

##### Matter 01: Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the body corporate's own accounting policies to satisfy the financial information needs of the body corporate's members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

##### Matter 02: Administrative expenditure

Without qualifying our opinion, we draw attention to the fact that the body corporate's accumulated administrative expenditure exceeded its accumulated administrative income resulting in the body corporate not meeting the requirements of Section 3(1)(a) of the Sectional Titles Schemes Management Act, 2011 (Act No.8 of 2011).

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222  
Partners: MV Ninan (CEO), MC Olickers (Managing Partner), C Abrahamse, JM Barnard, AK Batt, T Beukes,  
DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Mazars, B Mbunge,  
FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, M Pieterse, W Rabe, D Resnick, BG Sacks,  
MA Salee, N Sillikowitz, SM Solomon, HH Swanepoel, Al Swartz, MJJA Teuchent, N Thelander, JC Van Tubbergh,  
N Volschenk, J Watkins-Baker  
A full list of national partners is available on request or at [www.mazars.co.za](http://www.mazars.co.za)

#### Other Information

The trustees are responsible for the other information. The other information comprises the trustees' report set out on pages 7 to 8 but does not include the annual financial statements and our auditor's report thereon. Our opinion on the annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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 Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as described in Note 1 of the financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), the Sectional Titles Schemes Management Regulations, 2016 and the Management Rules of the body corporate established in terms thereof, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the body corporate'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 body corporate or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the body corporate'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 body corporate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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*Independent Auditor's Report (continued)*

auditor's report. However, future events or conditions may cause the body corporate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Management Rules of the body corporate and in terms of Regulation 6 of the Sectional Titles Schemes Management Regulations 2016, Rules 26(5)(c)(ii), (iii) and (iv), we report as follows:

#### **Compliance findings with accounting requirements (Rule 26(5)(c)(ii))**

The trustees are responsible for ensuring that the body corporate complies with management rules 21, 24 and 26 adopted in terms of the Sectional Title Schemes Management Regulations 2016, which includes the implementation of systems, processes, and internal controls such internal control as the trustees determine is necessary.

If during the course of our audit of the annual financial statements of the body corporate we become aware of any instances of non-compliance with the accounting requirements set out in management rules 21, 24 and 26, we are required to report our findings. We identified the following instances of non-compliance with the Rules:

- Rules 24(3)(a), as part of the annual levies, which were designated for the Reserve Fund, were not all transferred from the Administrative Fund to the Reserve Fund.
- In terms of Rule 26(1), the body corporate is required to hold the annual general meeting within four months after the end of the financial year. The body corporate did not comply with this rule.

#### **Management of the body corporate's financial affairs and funds (Rules 26(5)(c)(iii) and (iv))**

In terms of relevant International Standards applicable to audit, review and other assurance engagements we were unable to conduct an engagement relating to whether the books of account of the body corporate have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud, and whether the financial affairs of the body corporate appear to be effectively managed, as required by Rules 26(5)(c)(iii) and (iv). We have not performed any audit, review or other assurance engagement in relation to these matters and accordingly we do not express any assurance opinion or conclusion thereon.

Mazars  
Wihann Rabe  
Registered Auditors  
Date: 15 December 2022  
Cape Town

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Trustees' Responsibilities and Approval**

---

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate 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 of 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 of the annual financial statements and 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 body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board 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 body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate 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 annual 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 body corporate's cash flow forecast for the year to 30 September 2023 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are aware of the legislation that was introduced by the Sectional Titles Schemes Management Act 2011(Act No. 8 of 2011) on 7 October 2016. This legislation requires that the body corporate, in terms of Section 3(1)(b) establish and maintain a reserve fund in such amounts as are reasonably sufficient to cover the cost of future maintenance and repair of common property, but not less than such amounts as may be prescribed by the Minister.

Although the trustees are primarily responsible for the financial affairs of the body corporate, they are supported by the body corporate's external auditor.

The external auditors are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 9 to 17, which have been prepared on the going concern basis, were approved by the trustees and were signed on their behalf by:

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Trustees' Report**

---

The trustees submit their report for the year ended 30 September 2022.

**1. Review of activities**

**Main business and operations**

The body corporate is administered by Sandak-Lewin Trust.

The body corporate is responsible for the enforcement of the rules and for the control, administration and management of the common property for the benefit of all owners.

The body corporate does not operate for profit, expenditure being set-off by levies collected from the unit owners in accordance with the participation quota applicable to each section.

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

**2. Going concern**

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. The provisions of section 3(1)(3) and 3(1)(4) of the Sectional Titles Schemes Management Act No. 8 of 2011 allow the trustees the ability to raise special levies where needed.

**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 annual financial statements.

**4. Basis of accounting**

The annual financial statements are prepared in accordance with the body corporate's own accounting policies to satisfy the financial information needs of its members.

**5. Contributions - Administrative fund**

Contributions paid by owners and interest earned during the year were insufficient to meet expenditure, resulting in a levy deficit of R (458,343) (2021: levy deficit R (265,264)).

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Trustees' Report**

---

**6. Trustees**

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

Mr A Cohen  
Mr J Munitz  
Mr H Stern  
Ms L Sandak Lewin  
Mr M Sandak Lewin

**7. Managing Agent**

The managing agent of the body corporate is Sandak-Lewin Trust of:

Business address	64 Roeland Street Drury Lane Cape Town 8001
------------------	--

**8. Insurance policy details**

**Buildings insurance**

Insurance company	Compass Insurance Company Limited
Policy Number	CIA 010-986
Expiry date	01/12/2022
Total replacement value	194,410,660

**Fidelity Cover**

Insurance company	Guardrisk Insurance Company Limited
Policy Number	SB/FG531064 - Renewal
Expiry date	01/11/2022
Total replacement value	600,000

**Public Liability Insurance**

Insurance company	Compass Insurance Company Limited
Policy Number	CIA 010-986
Expiry date	01/12/2022
Total replacement value	50,000,000

The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Statement of Financial Position

Figures in Rand	Notes	2022	2021
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	76,927	65,994
Cash and cash equivalents	3	1,317,945	1,342,124
		<u>1,394,872</u>	<u>1,408,118</u>
<b>Total Assets</b>		<u>1,394,872</u>	<u>1,408,118</u>
<b>Equity and Liabilities</b>			
<b>Owners' funds and reserves</b>			
Administrative reserve		(538,655)	(452,358)
Maintenance reserve fund	4	1,486,856	1,413,483
		<u>948,201</u>	<u>961,125</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	442,870	445,982
Current tax payable		3,801	1,011
		<u>446,671</u>	<u>446,993</u>
<b>Total Equity and Liabilities</b>		<u>1,394,872</u>	<u>1,408,118</u>

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**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Statement of Comprehensive Income**

Figures in Rand	Notes	2022	2021
<b>Revenue</b>			
Levies - CSOS		19,826	19,701
Levies - Exclusive use area		304,685	293,674
Levies - Maintenance reserve fund		508,665	490,280
Levies - Ordinary		2,843,538	2,778,236
		<b>3,676,714</b>	<b>3,581,891</b>
<b>Other income</b>			
Interest received	6	46,804	35,358
Rental income		13,200	13,200
		<b>60,004</b>	<b>48,558</b>
<b>Operating expenses</b>			
Administration fees		6,172	5,796
Auditor's remuneration	7	11,935	11,396
Bank charges		3,269	3,093
CSOS levies		19,826	19,701
Casual wages		-	11,700
Cleaning		272,072	265,517
Electricity		552,478	462,929
Electronic communication		4,318	4,639
General expenses		5,382	1,790
Gratuities		2,500	2,000
Insurance	8	206,861	192,324
Legal and professional fees		6,474	31,395
Lift maintenance		82,272	77,679
Managing agent's fees		172,707	157,006
Printing and stationery		52	114
Rates		682	655
Refuse		238,110	178,403
Refuse - area cleaning		-	79,168
Repairs and maintenance - Administrative fund	9	366,147	455,728
Repairs and maintenance - Maintenance reserve fund	4.1	103,276	-
Security		969,094	894,072
Sewerage		302,167	242,515
Supervisory services		24,000	26,000
Valuation fees		4,600	-
Water		392,458	254,432
		<b>3,746,852</b>	<b>3,378,052</b>
<b>Surplus before taxation</b>			
Taxation	10	(10,134)	252,397
		(2,790)	-
<b>Surplus for the year (including maintenance reserve transactions)</b>			
Maintenance reserve levies raised		(508,665)	(490,280)
Interest received (net of bank charges)		(40,030)	(27,380)
Maintenance reserve expenditure		103,276	-
<b>Administrative deficit for the year</b>			
		<b>(458,343)</b>	<b>(265,264)</b>
Opening administrative deficit as previously reported		(452,358)	(187,095)
Transfer to maintenance reserve fund		372,046	-
<b>Closing administrative for the year</b>			
		<b>(538,655)</b>	<b>(452,359)</b>



The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Statement Of Changes In Reserves

	Maintenance reserve fund	Administrative reserve fund	Total members' funds and reserves
<b>Figures in Rand</b>			
<b>Balance at 01 October 2020</b>	<b>895,823</b>	<b>(187,095)</b>	<b>708,728</b>
Surplus for the year	-	252,397	252,397
Transfer to maintenance reserve - levies	490,280	(490,280)	-
Interest received	32,520	(32,520)	-
Bank charges	(5,140)	5,140	-
<b>Balance at 01 October 2021</b>	<b>1,413,483</b>	<b>(452,358)</b>	<b>961,125</b>
Surplus for the year	-	(12,924)	(12,924)
Transfer to maintenance reserve - levies	508,665	(508,665)	-
Interest received (net of bank charges)	40,030	(40,030)	-
Transfers from reserve fund - prior year	(320,408)	320,408	-
Transfer from reserve - other	(51,638)	51,638	-
Maintenance reserve expenditure	(103,276)	103,276	-
<b>Balance at 30 September 2022</b>	<b>1,486,856</b>	<b>(538,655)</b>	<b>948,201</b>
Note	4		

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**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	11	(70,983)	304,583
Interest income		46,804	35,358
<b>Net cash from operating activities</b>		<b>(24,179)</b>	<b>339,941</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		1,342,124	1,002,183
<b>Total cash at end of the year</b>	3	<b>1,317,945</b>	<b>1,342,124</b>

Draft

**The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Accounting Policies**

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**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.

**1.1 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

The trustees did not make critical judgments in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

**1.2 Financial instruments**

**Trade and other receivables**

Trade and other receivables include all amounts due to the body corporate at the end of the financial year. Trade and other receivables represent the recognised levy revenue, interest and other income that has not been received in cash by the body corporate. Trade and other receivables are accounted for at the amount deemed recoverable by the body corporate.

**Trade and other payables**

Trade and other payables include all liabilities and accruals of the body corporate at the end of the financial year. Trade and other payables represent expenses already incurred but not yet paid by the body corporate at the end of the financial year. Trade and other payables are accounted for at the amount of cash expected to settle the liability. Trade and other payables include accruals relating to municipal accounts and all levy income received by the body corporate before invoicing.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash in bank accounts and cash equivalents. Cash and cash equivalents are always accounted for at fair value and are highly liquid assets that the body corporate can convert into cash quickly.

**1.3 Reserves**

In terms of sections 3(1)(a) and 3(1)(b) of the Sectional Titles Schemes Management Act, No.8 of 2011, the body corporate must establish and maintain an administrative fund which is reasonably sufficient to cover the estimated annual operating costs of the body corporate. The body corporate must also establish and maintain a reserve fund to cover the cost of future maintenance and repair of the common property. Reserve funds are established and separately held by the body corporate for the purpose, and contributions and expenditures are maintenance and funded from these reserves.

**1.4 Tax**

**Current tax assets and liabilities**

The body corporate is taxed in terms of section 10(1)(e) of the Income Tax Act of 1962. This section provides for the exemption of levies from income tax, provided that the Body Corporate applies to its local Revenue office for such exemption. Other income is taxed at the company rate in South Africa after the deduction of a proportionate share of deductible expenses. As from the commencement of years of assessment ending on or after 1 January 2009, R50 000 of other income is exempt from taxation. The body corporate does not account for deferred tax.

**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Accounting Policies**

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**1.5 Provisions**

Provisions are recognised when the body corporate has a present legal or constructive obligation due to past events. An outflow of resources embodying economic benefits will probably be required to settle the obligation, and the body corporate can make a reliable estimate of the amount of the obligation. Where the body corporate expects a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**1.6 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. Maintenance reserve levies are transferred to the maintenance reserve fund via the Statement of Comprehensive Income.

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.

**1.7 Leases**

**Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are 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.

Any contingent rents are expensed in the period they are incurred.

**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>2. Trade and other receivables</b>		
Sundry debtor - Legal fees	1,152	-
Levies in arrear (Refer to annexure 1 and note 2.1)	75,775	65,994
	<b>76,927</b>	<b>65,994</b>
<b>2.1 Levies in arrears</b>		
Included in the above balance is an amount of R59,290 relating to VND00129001 account has been handed over to the attorneys for collection.		
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Nedbank Corporate Saver - Maintenance reserve fund	1,223,892	1,291,473
Nedbank Corporate Saver - Administrative fund	94,053	50,651
	<b>1,317,945</b>	<b>1,342,124</b>
<b>4. Maintenance reserve fund</b>		
Opening Balance	1,413,483	895,823
<b>Movement for the year consists of the following:</b>		
- Levies raised	508,665	490,280
- Interest received	46,042	32,520
- Bank charges	(6,012)	(5,140)
- Transfer from reserve fund - Prior year	(320,408)	-
- Transfer from reserve fund - Other	(51,638)	-
- Transfer from reserve fund - Expenditure (Note 4.1)	(103,276)	-
	<b>1,486,856</b>	<b>1,413,483</b>
<b>4.1 Repairs and maintenance - Capital expenditure</b>		
Doors and Windows	103,276	-
		-
<b>5. Trade and other payables</b>		
Accruals		
- Electricity	90,433	49,132
- Lift maintenance	-	25,129
- Refuse	31,943	30,420
- Repairs and maintenance	-	23,371
- Security	81,602	76,299
- Sewerage	52,836	42,429
- Water	68,621	56,014
Alteration deposits	2,000	2,000
CSOS levy control account	6,630	13,134
Levies received in advance (Refer to annexure 1)	96,848	116,648
Mazars	11,950	11,400
	<b>442,870</b>	<b>445,982</b>

**The Body Corporate of Portside**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
<b>6. Interest received</b>		
Bank	46,804	35,358
<b>7. Auditor's remuneration</b>		
Audit fees	11,935	11,396
<b>8. Insurance</b>		
<b>Reconciliation of insurance expense</b>		
Current premium	206,861	192,324
Insurance provider : Compass Insurance Company Limited Period insured: 01/12/2021 - 30/11/2022 Monthly Premium: R17,768		
The above annual insurance premium included public liability insurance for claims up to R50,000,000.		
The total expense above included Fidelity cover as noted below: Insurance provider: Guardrisk Insurance Company Limited Period insured: 01/11/2022 - 31/10/2023 Annual premium: R1,797		
<b>9. Repairs and Maintenance - Admin expenditure</b>		
Cleaning materials	2,523	2,666
DSTV	2,654	1,719
Doors and windows	19,275	4,583
Electric fencing	-	3,000
Electrical	16,136	52,707
Fire equipment	6,279	18,777
Garden maintenance	18,345	5,246
General repairs	29,002	149,629
Insurance claims	(5,936)	-
Lifts	637	22,509
Painting and decorating	5,000	14,219
Pest control	37,396	29,820
Plumbing	58,970	3,135
Pool	42,253	28,203
Recycling	12,013	12,517
Remotes, locks and keys	2,088	1,777
Security and access control	58,620	98,678
Tiling	-	1,743
Waterproofing	60,892	4,800
	<b>366,147</b>	<b>455,728</b>
<b>10. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
Current tax	2,790	-

The Body Corporate of Portside  
Annual Financial Statements for the year ended 30 September 2022  
Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>11. Cash (used in) / generated from operations</b>		
Surplus before taxation	(10,134)	252,397
<b>Adjustments for:</b>		
Interest received	(46,804)	(35,358)
<b>Changes in working capital:</b>		
Trade and other receivables	(10,933)	(12,848)
Trade and other payables	(3,112)	100,392
	<b>(70,983)</b>	<b>304,583</b>
<b>12. Tax paid</b>		
Balance at beginning of the year	(1,011)	(1,011)
Current tax for the year recognised in loss	(2,790)	-
Balance at end of the year	3,801	1,011
	-	-
<b>13. Comparative figures</b>		
Certain comparative figures have been reclassified.		
The effects of the reclassification are as follows:		
<b>Statement of Comprehensive Income</b>		
Professional fees	-	(3,623)
Legal and professional fees	-	3,623
Recycling	-	(12,517)
Repairs and maintenance - Administration fund	-	12,517
	-	-

**Portside Body Corporate**  
**Annual Financial Statements for the year ended 30 September 2022**  
**Annexure 1 - Schedule of levies in arrears and in advance**

**Aging of levies in arrears**

	<b>2022</b>				
	Current	30 days	60 days	90 days +	Total
MRS00129003	93	-	-	-	209
KHL00129001	-	-	-	61	61
SHN00129001	-	-	4,132	6,560	10,692
HPX00129001	4,868	4,868	4,868	9,081	5,523
VND00129001	3,077	3,077	902	52,234	59,290
<b>Total</b>	<b>8,038</b>	<b>7,946</b>	<b>9,902</b>	<b>49,889</b>	<b>75,775</b>

**Aging of levies in advance**

	<b>2022</b>				
	Current	30 days	60 days	90 days +	Total
GLL00129001	-	-	-	(21,920)	(21,920)
TPF00129001	(277)	-	-	(5,327)	(5,604)
MRS00129001	(3,373)	-	-	(1,716)	(5,089)
RFN00129001	(4,501)	4,528	-	(5,535)	(5,507)
THP00129001	(8,705)	-	7,331	(7,331)	(8,705)
CLP00129001	(1,276)	-	-	(6,124)	(7,401)
CNS00129001	-	-	-	(2,565)	(2,565)
WLL00129001	(1,559)	-	-	(3,967)	(5,526)
THR00129001	(7,474)	-	-	-	(7,474)
HMP00129001	-	-	-	(2)	(2)
LNG00129001	-	-	-	(1,178)	(1,178)
PRN00129001	(2,907)	-	-	-	(2,907)
SKS00129001	-	-	-	(2,101)	(2,101)
THH00129001	(1,244)	-	-	(6,159)	(7,404)
MNS00129001	(691)	4,876	4,876	(13,878)	(4,816)
RBN00129001	(147)	-	-	(2,935)	(3,082)
LRS00129001	-	5,162	-	(5,200)	(38)
BLC00129001	(5,529)	1,500	-	(1,500)	(5,529)
<b>Total</b>	<b>(37,684)</b>	<b>16,066</b>	<b>12,207</b>	<b>(87,438)</b>	<b>(96,848)</b>