Stonehenge Body Corporate
(Scheme number 139/1984)
Annual Financial Statements
for the year ended 30 November 2020

H. E. Fourie CA (SA)
Chartered Accountant (SA)
Registered Auditor

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Managing and Maintaining of common property
Trustees	H. Jansen van Rensburg (Unit 19) D. Dale (Unit 11) K. Andrews (Unit 14) J. Khaled (Unit 5) L. Wener (Unit 3)
Registered office	16A Ridgeway Office Park 248 Kent Avenue Ferndale Randburg 2194
Postal address	PO Box 2429 Pinegowrie 2123
Auditor	H.E Fourie (CA) SA Chartered Accountant (SA) Registered Auditor
Managing agent	Precision Property Accounting (Pty) Ltd
Body Corporate scheme number	139/1984
Tax reference number	9583/196/84/6
Level of assurance	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).
Preparer	The annual financial statements were internally compiled by: Abaque Accounting Services (Pty) Ltd

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The reports and statements set out below comprise the Annual Financial Statements presented to the board of trustees:

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

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 described in Note 1.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 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 of 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 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 November 2021 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 maintain a reserve fund of not less than 25% of the previous year's operational levies. In order to achieve this, the trustees will include an adjustment in the budgets for 2021 and 2022 to comply with Regulation 2(a) and 2(c).

The external auditor is 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 auditor and their report is presented on page 6.

The annual financial statements set out on pages 8 to 15, which have been prepared on the going concern basis, were approved by the board of trustees on 31 March 2021 and were signed on its behalf by:

Approval of annual financial statements

Trustee	**Trustee**

Trustees' Report

The trustees submit their report for the year ended 30 November 2020.

1. Review of activities

Main business and operations

The body corporate is engaged in managing and maintaining of common property and operates principally in South Africa.

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

We draw attention to the fact that at 30 November 2020, the body corporate had accumulated deficits of R 13 271.

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.

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. Trustees

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

Name
H. Jansen van Rensburg (Unit 19)
D. Dale (Unit 11)
K. Andrews (Unit 14)
J. Khaled (Unit 5)
L. Wener (Unit 3)

5. Managing Agent

The managing agent of the body corporate is Precision Property Accounting (Pty) Ltd of:

Business address	16A Ridgeway Office Park 248 Kent Avenue Ferndale Randburg 2194
Postal address	PO Box 2429 Pinegowrie 2123

6. Insurance policy details

Buildings insurance

Insurance company	Naude Insurance Brokers
Policy Number	ARDST/594417
Expiry date	2021/01/01

Trustees' Report

7. Auditor

H.E Fourie (CA) SA will continue in office for the next financial period.

The annual financial statements set out on pages 8 to 15, which have been prepared on the going concern basis, were approved by the board of trustees on 31 March 2021, and were signed on its behalf by:

Approval of annual financial statements

Trustee	**Trustee**

Fourie & Associates
Chartered Accountants
Chartered Accountants in Public Practice
Tel: (011) 825-2339 Fax: (011) 825-6978 P.O. Box 15732Lambton, 1411
HENDRIK E. FOURIE. B.Com (Acc). B.Com (Acc) Hons. (RAU) CTA CA (SA)

Independent Auditor's Report

To the trustees of Stonehenge Body Corporate

Opinion

I have audited the annual financial statements of Stonehenge Body Corporate (the body corporate) set out on pages 8 to 15, which comprise the statement of financial position as at 30 November 2020, and the statement of financial performance ,statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements of Stonehenge Body Corporate for the year ended 30 November 2020 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011).

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the annual financial statements section of my report. I am 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. I have fulfilled my 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

I draw attention to note 11 in the annual financial statements, which indicates that the body corporate incurred a net profit of R29 541 during the year ended 30 November 2020 and, as of that date, the body corporate had an accumulated deficit of R13 270. As stated in note 11, these events or conditions, along with other matters as set forth in note 11, indicate that a material uncertainty exists that may cast significant doubt on the body corporate’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

I draw attention to Note 4 of the annual financial statements which indicates that the body corporate has not complied with the requirements of Section 3(1)(b) of the Section Titles Schemes Managment Act, 2011 (Act no 8 of 2011). The body corporates reserve fund does not comply with the legislation of having the minium 25% of all ordinary levies in the reserve fund. My opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Stonehenge Body Corporate annual financial statements for the year ended 30 November 2020", which includes the Trustees' Report as required by the Sectional Titles Schemes Management Act, 2011 (Act no.8 of 2011) and the Statement of Financial Performance, which we obtained prior to the date of this report. The other information does not include the annual financial statements and my auditor's report thereon.

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

In connection with my audit of the annual financial statements, my 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 my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Chartered Accountants in Public Practice
Tel: (011) 825-2339 Fax: (011) 825-6978   P.O. Box 15732Lambton, 1411
HENDRIK E. FOURIE. B.Com (Acc). B.Com (Acc) Hons. (RAU) CTA CA (SA)

Independent Auditor's Report

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), for determining that the basis of preparation is acceptable in the circumstance 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

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the body corporate to cease to continue as a going concern.

I 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 I identify during my audit.

H.E Fourie (CA) SA
Chartered Accountant (SA)
Registered Auditor

31 March 2021

Statement of Financial Position as at 30 November 2020

	Note(s)	2020 R	2019 R
Assets			
Current Assets			
Municipal deposits held		9 993	9 586
Trade and other receivables	2	12 726	4 123
Cash and cash equivalents	3	254 592	370 231
		277 311	**383 940**
Total Assets		**277 311**	**383 940**
Equity and Liabilities			
Owner's funds and reserves			
Reserves	4	186 069	317 060
Accumulated deficit		(13 271)	1 624
		172 798	**318 684**
Liabilities			
Current Liabilities			
Levies received in advance		75 362	63 349
Trade and other payables	5	29 151	1 907
		104 513	**65 256**
Total Equity and Liabilities		**277 311**	**383 940**

Stonehenge Body Corporate
(Scheme number: 139/1984)
Annual Financial Statements for the year ended 30 November 2020

Statement of Financial Performance

	Note(s)	2020 R	2019 R
Revenue			
Ordinary levies		781 830	720 588
CSOS levies		10 427	10 137
	6	**792 257**	**730 725**
Other income			
Interest received		9 483	9 226
Penalties Charged		1 295	1 421
Unclaimed funds older than 3 years		1 908	-
		12 686	**10 647**
Total income		**804 943**	**741 372**
Operating expenses			
Administration and sundries			
Administration Fees		38 304	38 929
Auditors remuneration	9	7 985	7 322
Bank charges		2 888	2 899
Insurance		45 198	41 679
Meter Reading Fees		6 816	6 538
Telephone and fax		2 258	3 893
		103 449	**101 260**
Employee costs			
Wages		2 700	2 500
		2 700	**2 500**
Municipal charges			
Electricity		273 289	256 767
Electricity - recovered		(166 077)	(138 772)
Muncipal-Prior year fees		-	36 017
Sewerage and waste disposal		200 782	176 423
Water		111 915	63 705
Water - recovered		(29 344)	(41 523)
Water -reversal		-	(19 313)
		390 565	**333 304**
Maintenance			
Repairs and maintenance	12	278 688	261 742
		278 688	**261 742**
Total operating expenses		**775 402**	**698 806**
Surplus for the year		**29 541**	**42 566**

Statement of Changes in Reserves

	Reserve fund R	Accumulated deficit R	Total owner's funds and reserves R
Balance at 01 December 2018	**147 834**	**128 283**	**276 117**
Surplus for the year	-	42 566	42 566
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**42 566**	**42 566**
Transfer between reserves	169 226	(169 226)	-
Total changes	**169 226**	**(169 226)**	**-**
Balance at 01 December 2019	**317 060**	**1 623**	**318 683**
Surplus for the year	-	29 541	29 541
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**29 541**	**29 541**
Maintenance	(175 426)	-	(175 426)
Transfer	44 435	(44 435)	-
Total changes	**(130 991)**	**(44 435)**	**(175 426)**
Balance at 30 November 2020	**186 069**	**(13 271)**	**172 798**
Note(s)	4		

Statement of Cash Flows

	Note(s)	2020 R	2019 R
Cash flows from operating activities			
Cash (used in) generated from operations	10	(127 245)	27 585
Cash flows from investing activities			
Movement in municipal deposits held		(407)	(434)
Cash flows from financing activities			
Movement in levies received in advance		12 013	9 662
Total cash movement for the year		**(115 639)**	**36 813**
Cash at the beginning of the year		370 231	333 418
Total cash at end of the year	3	**254 592**	**370 231**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 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.

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

Tax expenses

The body corporate 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.

1.2 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.

Notes to the Annual Financial Statements

	2020 R	2019 R

2. Trade and other receivables

	2020 R	2019 R
Debtors for levies	3 982	-
Precision Property Accounting (Pty) Ltd	2 263	375
Insurance claims	6 481	3 748
	12 726	**4 123**

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 R	2019 R
Current account	68 523	53 171
Reserve fund account	186 069	317 060
	254 592	**370 231**

In terms of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) a reserve fund is maintained for the purposes of future maintenance and repairs to common property. Refer to note 4 for details of the reserve fund.

4. Reserve fund

Reserve fund summary - 2020

	Available reserve (as % of cost)	Accrued estimated cost	Amounts available for maintenance, repair and replacement	Surplus (deficit)
10 Year maintenance plan	100,00 %	186 069	186 069	-

Reserve fund summary - 2019

	Available reserve (as % of cost)	Accrued estimated cost	Amounts available for maintenance, repair and replacement	Surplus (deficit)
10 Year maintenance plan	100,00 %	317 060	317 060	-

Reconciliation of the reserve fund - 2020

	Opening balance	Interest	Bank charges	Maintenance	Transfers	Closing balance
10 Year maintenance plan	317 060	9 483	(49)	(175 425)	35 000	186 069

Notes to the Annual Financial Statements

	2020 R	2019 R

4. Reserve fund (continued)

Reconciliation of the reserve fund - 2019

	Opening balance	Levy allocated to fund	Closing balance
10 Year maintenance plan	147 834	169 226	317 060

5. Trade and other payables

	2020	2019
Audit fees Accrual	7 000	-
Municipal Accrual	22 151	-
Unclaimed funds	-	1 908
	29 151	**1 908**

6. Revenue

	2020	2019
Levies	792 257	730 725

7. Other income

	2020	2019
Recoveries	195 421	180 295
Interest received	9 483	9 226
Unclaimed funds older than 3 years	1 908	-
Penalties	1 295	1 421
	208 107	**190 942**

8. Taxation

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

	2020	2019
Accounting surplus	29 541	42 566
Tax at the applicable tax rate of 28% (2019: 28%)	8 271	11 918
Tax effect of adjustments on taxable income		
Exempt income		
Tax effect of non-taxable income	(221 832)	(204 603)
Tax effect of body corporate exemption - up to R 50 000	(3 552)	(1 798)
	(225 384)	**(206 401)**
Non-deductible expenses		
Tax effect of expenses related to non-taxable income	217 113	194 483
	217 113	**194 483**
	-	**-**

Notes to the Annual Financial Statements

	2020 R	2019 R

9. Auditor's remuneration

Fees	7 000	7 322
Tax and secretarial services	985	-
	7 985	**7 322**

10. Cash (used in) generated from operations

Surplus before taxation	29 541	42 566
Adjustments for:		
Reserve fund expenditure	(175 425)	-
Changes in working capital:		
Trade and other receivables	(8 604)	5 775
Trade and other payables	27 243	(20 756)
	(127 245)	**27 585**

11. Going concern

We draw attention to the fact that at 30 November 2020, the body corporate had accumulated deficits of R 13 271.

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.

12. Repairs and maintenance

Building	300	22 786
Electrical	2 580	30 106
Fire services	5 445	822
Garden Services	77 368	75 470
Garden Maintenance	-	5 143
Lock and keys	(335)	-
Painting	-	3 588
Plumbing	13 764	12 219
Pool expenses	4 129	2 488
Pool Upgrades	-	31 700
Replacement plan	-	5 164
Roof	279 905	2 708
Transfer roof expenditure to reserve fund	(175 425)	-
Security equipment & gates	37 723	17 263
Security upgrades	-	36 242
Walls	30 734	-
Water detection	2 500	-
Waterproofing	-	16 043
	278 688	**261 742**

13. Recoveries

Electricity recovered	166 077	138 772
Water recovered	29 344	41 523
	195 421	**180 295**

Statement of Financial Performance

	Note(s)	2020 R	2019 R
Revenue			
Levies	6	792 257	730 725
Other income			
Recoveries	13	195 421	180 295
Penalties		1 295	1 421
Interest received		9 483	9 226
Unclaimed funds older than 3 years		1 908	-
		208 107	**190 942**
Operating expenses			
Administration fees		38 304	38 929
Auditors remuneration	9	7 985	7 322
Bank charges		2 888	2 899
Employee costs		2 700	2 500
Insurance		45 198	41 679
Meter reading fees		6 816	6 538
Municipal expenses		585 986	513 599
Repairs and maintenance	12	278 688	261 742
Telephone and fax		2 258	3 893
		970 823	**879 101**
Surplus for the year		**29 541**	**42 566**