



# ROCKLANDS

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# GALLO MANOR

ZANDFONTEIN FARM HOME OWNERS ASSOCIATION ("ZFHOA") NPC  
(Registration number: 2000/027413/08)  
AUDITED ANNUAL FINANCIAL STATEMENTS  
28 February 2022

Preparer: Ridhwaan Williams ZFHOA (Treasurer)

ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC  
(Registration number: 2000/027413/08)  
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*for the year ended 28 February 2022*

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**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**

**(Registration number: 2000/027413/08)**

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

***As at 28 February 2022***

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The directors are responsible for overseeing the preparation, integrity and objectivity of the annual financial statements that fairly present the state of the affairs of Zandfontein Farm Home Owners Association NPC ("the Company") at the end of the financial year and the financial performance and cash flows for the reporting period, and other information contained in this report.

To the best of their knowledge and belief, the directors are satisfied that the financial statements are fairly presented. In addition, in prior financial years, there has been uncertainty in respect of the potential tax liability (Income Tax and Value Added Tax) of the Company. In early March 2022, the directors submitted an application together with the required documentation to the South African Revenue Services ("SARS") Tax Exemption Unit in respect of its application to be exempted from Income Tax (Act No. 58 of 1962) and Value Added Tax (Act No. 89 of 1991). Under the regulation, exemption is conditional to the application and does not apply automatically. Therefore, the Company continued to determine its tax liability as at the reporting date. Following the financial year-end, a conference call with a SARS Official, the ZFHOA Public Officer and Treasurer had discussed the application with SARS, after which, it was confirmed that the ZFHOA may apply the exemption in the preparation of its tax returns. The directors have, to the best of their knowledge, provided for any tax liability for prior years and are no currently in the process of submitting all outstanding tax returns due to ensure the ZFHOA is tax compliant.

The Company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act of South Africa and comply in all material respects with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and all applicable legislation.

The directors have no reason to believe that the Company will not be a going concern in the reporting period ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the independent auditor to report on the annual financial statements. Their report to the members of the Company is set out on pages 2 of this report.

The directors' report on pages 3 to 4 and financial statements of the Company which appears on pages 5 to 13 were approved by the board of directors on 30 April 2022 and are signed on its behalf by:



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Ridhwaan Williams (Treasurer)  
Sandton

*Chris Mollison*

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Chris Mollison (Chairman)  
Sandton

# H RUBIN & ASSOCIATES INC.

Registration number: 2008/004185/21

Registered Auditors  
Practice Number 962058

P O Box 749, Gallo Manor, 2052  
Cedarwood Office Park  
Giurucich Bros Building  
Lower Ground Floor Suite  
Mount Lebanon Road  
Woodmead

Tel: 011-656-4750  
Fax: 011-656-4751  
Email: [harry@rwi.co.za](mailto:harry@rwi.co.za);

## REPORT OF THE INDEPENDENT AUDITORS

### To members of ZANDFONTEIN FARM HOMEWONERS ASSOCIATION PNC

We have audited the annual financial statements of Zandfontein Farm Home Owners Association NPC set out on pages 5 to 13 for the year ended 28 February 2022. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

We conducted our audit in accordance with International Financial Reporting Standards for Small and Medium sized entities (IFRS for SME). Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes:

- examining on a test basis, evidence supporting the amounts and disclosure in the financial statements,
- assessing the accounting policies used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

The Annual financial statements have been prepared on a going concern basis.

### Opinion

In our opinion the financial statements are fairly presented, in all material respects, the financial position of the company as at 28 February 2022 and the results of its operations for the year ended in the manner required by the Companies Act.

*H Rubin & Associates Inc.*

H Rubin and Associates Inc.  
Registered Auditor  
Chartered Accountant (SA)  
30 April 2022  
Cedarwood office Park  
Giurucich Bros Building  
Lower Ground floor  
Woodmead

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC****(Registration number: 2000/027413/08)****DIRECTORS' REPORT*****for the year ended 28 February 2022***

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Company registration number 2000/027413/08

Country of incorporation and domicile South Africa

Date of publication 30 April 2022

<b>Directors</b>	<b>Name</b>	<b>Appointment date</b>	<b>Resignation date</b>
	Chris Mollison (Chairman)	15 April 2021	
	Jay Singh	26 August 2016	15 April 2021
	Colin Gordon	22 June 2020	12 September 2020
	Benjamin Nortier	22 June 2020	
	Chantelle Fryer	22 June 2020	
	Kirsten Bosworth	16 May 2017	2 June 2020
	Eva Noble	7 June 2018	2 June 2020
	Che Ajulu	22 June 2020	15 April 2021
	Terry Allan	26 August 2016	2 June 2020
	Rene de Schouwer	21 August 2019	8 March 2020
	Ode Annandale	4 October 2020	15 April 2021
	Ridhwaan Williams (Treasurer)	15 April 2021	30 April 2022
	Majorie Baller	15 April 2021	
	Tshepo Pule	15 April 2021	
	Mike Neu-Ner	15 April 2021	

Business address 53A Canterbury Crescent  
Johannesburg  
2052  
South AfricaPostal address PO Box 561  
Gallo Manor  
Sandton Johannesburg  
2052

Bankers FNB Business Banking

Auditors H Rubin and Associates Inc.  
Cedarwood Office Park  
Giurucich Bross Building  
Lower Ground floor  
Mount Lebanon Road  
Woodmead

Supervised by These annual financial statements are prepared under the direction and supervision of the Treasurer, Ridhwaan Williams.

Company secretary This company has no company secretary.

Date of incorporation 30 October 2000

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**DIRECTORS' REPORT (continued)**  
*for the year ended 28 February 2022*

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**Review of financial results**                      The financial results of the Company are set out in the attached financial statements. The results do not, in the opinion of the directors, require further explanation.

<b>Key performance indicators</b>	<b>2022</b> R	<b>2021</b> R
Profit before tax	<b>319 223</b>	34 853
Taxation	<b>(5 113)</b>	(4 127)
Profit for the year after tax	<b>314 110</b>	30 726
Total comprehensive income	<b>314 110</b>	30 726
Dividends declared and paid	-	-
Net assets	<b>840 334</b>	449 019
Current assets	<b>818 023</b>	396 572

**Property, plant and equipment**                      Details of changes in property, plant and equipment during the year are reflected in note 6.

**Events after the reporting date**                      No event, material to the understanding of these financial statements, has occurred in the period between the financial year end and the date of this report. The ZFHOA Board wishes to notify that it has submitted an application for tax exemption as well as for the registration for Unemployment Insurance Fund and Compensation for Occupational Injuries and Diseases.

**Going concern**    The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

**Dividends paid**    In terms of the Companies Act, no dividends are permitted to be declared by a NPC. Therefore, no dividends have been declared and none are contemplated.

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 28 February 2022**

	Notes	2022 R	2021 R
<b>Revenue from collection activities</b>			
Revenue collected from community levies		1 667 710	1 707 353
		<b>1 667 710</b>	<b>1 707 353</b>
<b>Non-interest income from contracts with customers</b>			
Donations		2 031	1 030
		<b>2 031</b>	<b>1 030</b>
Total income		<b>1 669 741</b>	1 708 383
Other operating income		417	750
Other expenses	4	<b>(1 364 106)</b>	(1 689 020)
Operating Profit		<b>306 052</b>	20 113
Finance Income		<b>13 171</b>	14 470
<b>Profit Before Tax</b>		<b>319 223</b>	34 583
Taxation	5	<b>(5 113)</b>	(4 127)
Profit for the year		<b>314 110</b>	30 456
<b>Total comprehensive income for the year, net of tax</b>		<b>314 110</b>	<b>30 456</b>

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 28 February 2022*

	Notes	2022 R	2021 R
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	6	22 311	52 447
<b>Total non-current assets</b>		<b>22 311</b>	<b>52 447</b>
<i>Current assets</i>			
Trade receivables	7	12 228	31 820
Cash and cash equivalents	12	805 795	489 462
<b>Total current assets</b>		<b>818 023</b>	<b>521 282</b>
<b>Total assets</b>		<b>840 334</b>	<b>573 729</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Capital and reserves</i>			
Retained income		763 129	449 019
<b>Total equity</b>		<b>763 129</b>	<b>449 019</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	9	19 378	18 869
Lease liability	10	-	52 033
Provisions	8	57 827	53 808
<b>Total current liabilities</b>		<b>77 205</b>	<b>124 710</b>
<b>Total liabilities</b>		<b>77 205</b>	<b>124 710</b>
<b>Total equity and liabilities</b>		<b>840 334</b>	<b>573 729</b>



**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**STATEMENT OF CHANGES IN EQUITY**  
***for the year ended 28 February 2022***

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	Retained income R	Total equity R
Balance at 1 March 2020	418 293	418 293
Total comprehensive income for the year	30 726	30 726
Balance at 28 February 2021	449 019	449 019
<b>Balance at 1 March 2021</b>	<b>449 019</b>	<b>449 019</b>
Total comprehensive income for the year	314 110	314 110
<b>Balance at 28 February 2022</b>	<b>763 129</b>	<b>763 129</b>

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 28 February 2022*

	Notes	2022 R	2021 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	382 695	5 959
Interest received		13 171	14 470
<b>Net cash generated from operating activities</b>		<b>395 866</b>	<b>20 699</b>
<b>Cash flows from financing activities</b>			
Payment of lease liability		(52 033)	(58 033)
Acquisition of motor vehicle		(22 000)	-
Acquisition of bicycle		(5 500)	-
<b>Net cash used in financing activities</b>		<b>(79 533)</b>	<b>(58 033)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>316 333</b>	<b>(37 334)</b>
Cash and cash equivalents at the beginning of the year		489 462	526 796
<b>Cash and cash equivalents at the end of the year</b>	12	<b>805 795</b>	<b>489 462</b>

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**

**(Registration number: 2000/027413/08)**

**Summary of Accounting Policies (continued)**

**for the year ended 28 February 2022**

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**1. STATEMENT OF COMPLIANCE AND ACCOUNTING POLICIES**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act of South Africa, as amended.

**2 BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The financial statements are presented in South African Rands (R), the presentation currency of the Company.

**3. JUDGEMENTS AND ESTIMATES**

In the preparation of the annual financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

	<b>Useful lives</b>	
	<b>Years</b>	
<b>Property, plant and equipment</b>		
Motor vehicles		<b>3 years</b>
Bicycles		<b>3 years</b>
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>

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**4. PROFIT FOR THE YEAR**

Profit for the year is stated after taking account of the following items:

**4.1 Depreciation and amortisation expense**

Depreciation of property, plant and equipment	<b>57 636</b>	57 834
	<b>57 636</b>	57 834

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**4.2 Employee benefits expense**

Salaries and wages	<b>100 971</b>	113 479
	<b>100 971</b>	113 479

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**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC****(Registration number: 2000/027413/08)****Notes to the annual financial statements*****for the year ended 28 February 2022***

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**4.3 Other expenses**

Administration fees and expenses	-	125 144
Security FADT <sup>1</sup>	<b>993 965</b>	1 236 226
Accounting	<b>2 148</b>	2 004
Bank fees	<b>24 152</b>	25 432
Electricity	<b>18 191</b>	11 912
Entertainment	<b>1 668</b>	-
Insurance and legal	<b>18 480</b>	10 126
Other	-	724
Park expenses and maintenance <sup>2</sup>	<b>116 476</b>	56 458
Printing and stationary <sup>3</sup>	-	3 000
Telephone	<b>9 804</b>	18 591
Correction of guard bonus collection	-	11 550
Motor vehicle expenses and lease	<b>15 915</b>	16 540
Long Service Award	<b>4 700</b>	-
	<b>1 205 499</b>	<b>1 517 707</b>
<b>Total operating expenses</b>	<b>1 364 106</b>	<b>1 689 020</b>

<sup>1</sup>In the FY2021 financial year, a secondary FADT vehicle was utilised by the ZFHOA for purposes of security in and about the neighbourhood. However, based on the security risk assessment in conjunction with a cash flow analysis, the board decided that one vehicle is sufficient. To the extent there is a change in risk profile, the security measures will be reviewed accordingly. As a result of the hard lockdown, the security risk assessment by board, deemed security services as adequate.

<sup>2</sup>Due to the relaxation of covid restrictions, activities relating to park administration and maintenance have increased in the year and expected to continue in the new year.

<sup>3</sup>New contract was taken out with MTN which reduced the monthly costs

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**CIPC ANNUAL RETURN AND iXBRL MANDATORY FIELDS**  
***for the year ended 28 February 2021***

	2022 R	2021 R
<b>5 TAXATION</b>		
<b>5.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS</b>		
<b>Current tax</b>		
Normal tax - current year	5 113	4 127
<b>Total income tax recognised in the current year</b>	<b>5 113</b>	<b>4 127</b>

For the purposes of determining any tax liability arising from the activities of the ZFHOA (read with the director's report), the ZFHOA has applied the taxation principles in relation to Gross Income as defined, applicable exemptions and expenditure actually incurred in terms of section 1, section 10(1)(e) and section 11(1)(a) of the Income Tax Act (No. 58 of 1962).

Following which, amounts accruing or received in respect of levies/membership are exempt from tax, whilst investment and other income are exempted up to the value of R50,000 during the year of assessment. No deductions are therefore permissible as there is no tax income to which to offset deductible expenditure (i.e. no production of "income" exists). This approach has been consistent in prior years.

The reliance on these provisions is subject to the application to the SARS Tax Exemption Unit for which the ZFHOA has applied and await the outcome of such proceedings. It follows that after consultation with SARS that the ZFHOA has been provided such exemption. The tax returns are due for the periods 2006 to 2021, for which the board, in conjunction with the outgoing treasurer will submit and settle any ZFHOA tax obligations to pursue tax compliance. This is a significant milestone for the ZFHOA and has eliminated uncertainty in respect of the ZFHOA's tax affairs. This is anticipated to take place from July 2022 to December 2022.

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**CIPC ANNUAL RETURN AND iXBRL MANDATORY FIELDS**  
**for the year ended 28 February 2021**

	Surveillance Cameras R	Motor Vehicles R	Bicycles R	Total R
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Cost or valuation - 2022</b>				
Balance at beginning of the year	110 281	-	-	110 281
Additions	-	22 000	5 500	27 500
Balance at end of the year	110 281	22 000	5 500	137 781
<b>Accumulated depreciation - 2022</b>				
Balance at beginning of the year	(57 834)	-	-	(57 834)
Depreciation	(52 447)	(4 277)	(912)	(57 636)
Balance at end of the year	(110 281)	(4 277)	(912)	(115 470)
<b>Carrying amount at end of year</b>	-	17 723	4 588	22 311
<b>Assets under finance lease (included above):</b>				
Cost	110 281			110 281
Accumulated depreciation	(110 281)			(110 281)
Carrying amount at end of year	-			-

	2022 R	2021 R
<b>7. TRADE RECEIVABLES</b>		
Trade receivables	12 228	31 820
	<b>12 228</b>	<b>31 820</b>

	Tax liability* R	Restructure R	Deferred Revenue	UIF/ COIDA R	Total R
<b>8. PROVISIONS AND ACCRUALS</b>					
Balance at 1 March 2021	47 994	3 707	-	2 107	53 808
Provision increased/(decreased)	5 113	(2 438)	2 583	(1 239)	4 019
Balance at 28 February 2022	53 107	1 269	2 583	868	57 827
Balance at 1 March 2020	43 867	-	-	-	43 867
Provision increased/(decreased)	4 127	3 707	-	2 107	9 941
Balance at 29 February 2021	47 994	3 707	-	2 107	53 808

\*The tax liability was calculated on the investment income only. Refer to note 5. Deferred revenue will be smoothed over a 3- year period based on the agreement the ZFHOA has with the community of Gallo Manor with reference to their waste/rubble removal.

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**CIPC ANNUAL RETURN AND iXBRL MANDATORY FIELDS**  
**for the year ended 28 February 2021**

	2022	2021
	R	R
<b>9. TRADE AND OTHER PAYABLES</b>		
Trade payables	(1 351)	9 405
Accrual guard bonus pay-out	20 670	9 464
Entrance Project	59	-
	<b>19 378</b>	<b>18 869</b>

As is the practice, bonuses are collected on behalf of the guards are recognised as payable. Amounts disbursed in respect of performance are made during December/January of each year. An amount is retained and set-aside to ensure any performance awards during the next year can be met timeously.

**10. LEASE LIABILITY**

10.1 Leases as lessee	2022	2021
	R	R

**Maturity analysis of lease liabilities**

Less than one year	-	52 033
	-	52 033

The following amounts have been recognised in the statement of comprehensive income in respect of leases in which we are the lessee:

Depreciation charge for right-of-use assets (see note 6):		
Surveillance Cameras	52 447	57 834
	<b>52 447</b>	<b>57 834</b>

Right of use assets recognised in the statement of financial position relate to the following classes of assets:

Surveillance Cameras	-	52 447
	-	52 447

	2022	2021
	R	R
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit for the year	314 110	34 853
Interest income	(13 171)	(14 740)
Depreciation	57 636	57 834
Decrease in trade receivables	19 592	7 305
Increase/(decrease) in trade payables	509	(85 107)
Provisions raised	4 019	5 814
Cash generated from operations	<b>382 695</b>	<b>5 959</b>

**ZANDFONTEIN FARM HOME OWNERS ASSOCIATION NPC**  
**(Registration number: 2000/027413/08)**  
**CIPC ANNUAL RETURN AND iXBRL MANDATORY FIELDS**  
***for the year ended 28 February 2021***

	2022 R	2021 R
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	166 014	119 139
Notice Deposit	620 181	359 626
Guard collection account	17 600	8 697
Petty Cash	2 000	2 000
Gross Cash and cash equivalents	<u>805 795</u>	<u>489 462</u>
Carrying amount	<u>805 795</u>	<u>489 462</u>

All of our bank accounts are with First National Bank.

**13. CAPITAL COMMITMENTS, CONTINGENCIES AND EVENTS AFTER THE REPORTING PERIOD**

**Fidelity ADT contract:**

On 30 September 2019 ZFHOA entered into a 24 month contract agreement with fidelity ADT, with an option to renew the contract for a further 12 months. The contract was effective from 1 September 2019.

As of 1 March 2022 the monthly cost of the extended contract is R82 081 (2021 R78 840), representing a 4.1% increase, in line with the contractual agreement. The board has elected to exercise the optional 12-month extension of the FADT contract (36 months in total), ending 31 August 2022.

**SARS Liability:**

SARS have confirmed that the ZFHOA has been granted the tax exemption and that the submission of the outstanding tax returns may be completed with reference to the applicable provisions (most notable the exemptions) of the Income Tax Act.

**Weir Restoration:**

A project was undertaken to secure the eastern CCJ boundary, which was completed in years gone past in conjunction with ZFHOA, CCJ Management and Environmental Committee. Damage has been caused by flooding at various points on the river running through the suburb. Given the recent heavy rains, repairs/maintenance is once more required to be undertaken on the weir. The primary purpose of the river/weir project was security, as the river flooding/erosion had a direct effect on Rocklands' ability to have a secure boundary.

The ZFHOA Board has ear-marked approximately R145 000 for the work of restoration.

**Security upgrades for guard zones:**

The ZFHOA board has undertaken a project to upgrade the security entry points for the benefit of the community and the guards. The estimated cost of the project is approximately R5 000.