TREASURER'S REPORT: YEAR END DECEMBER 2022

Presented by: Genevieve Frost – 21 March 2023

Finances:

This is a Financial Report for the period January to December 2022

Membership fees received for the year are R285,395. This is 12% down on 2021 as a number of members had resigned and others did not pay membership fees for a number of reasons.

Donations received – R23,600 for the year.

Interest received – R41,770.

Robert Odendaal from Simply Accounting was appointed in January 2022 as Accounting Officer for the Association to supply Annual Financial statements for 2020, 2021 and now 2022.

A Laptop was purchased in July 2022 for the Association secretary at a cost of R6,799.

Overall, expenses for 2022 were down by 63% and this enabled the Association to make a nett profit of R191,497.

Plettenberg Bay Ratepayers and Residents Association

Annual Financial Statements

for the year ended 31 December 2022

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Plettenberg Bay Ratepayers and Residents Association

Annual Financial Statements for the year ended 31 December 2022

General Information

Country of Incorporation and Domicile	South Africa
Registration Date	13 December 2016
Postal Address	PO Box 22 Wittedrift 6603
Level of Assurance	These financial statements have been compiled in compliance with the applicable requirements of the International Standard on Related Services 4410: Engagements to Compile Financial Statements.
Preparer	RA Odendaal t/a Simple Accounting

Committee's Responsibilities and Approval

The committee are required by the Nonprofit Organisation Act of South Africa 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit organisation, and explain the transactions and financial position of the business of the non-profit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit organisation and supported by reasonable and prudent judgements and estimates.

The committee acknowledge that they are ultimately responsible for the system of internal financial control established by the non-profit organisation and place considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the committee 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 non-profit organisation and all employees are required to maintain the highest ethical standards in ensuring the non-profit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit organisation. While operating risk cannot be fully eliminated, the non-profit organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the committee have no reason to believe that the non-profit organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit organisation.

The annual financial statements set out on pages 6 to 13 which have been prepared on the going concern basis, were approved by the committee and were signed on 7 February 2023 on their behalf by:

P. S. Saylor

Chairman

Treasurer

Committee's Report

The committee present their report for the year ended 31 December 2022.

1. Review of activities

Main business and operations

The non-profit organisation object is to protect, promote and further the interest and rights of the ratepayers and residents of the area with the emphasis on Plettenberg Bay. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit organisation are fully set out in the attached 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 committee believe that the non-profit organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The committee are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit organisation.

4. Compiler

RA Odendaal t/a Simple Accounting compiled the annual financial statements for the year under review.

Simple Accounting

Report of the Compiler

To the Committee of Plettenberg Bay Ratepayers and Residents Association

I have compiled the accompanying financial statements of Plettenberg Bay Ratepayers and Residents Association based on information you have provided. These financial statements comprise the statement of financial position as at 31 December 2022, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Nonprofit Organisation Act of South Africa. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in note 2.

RA Odendaal t/a Simple Accounting

Per: Robert Odendaal
Associate General Accountant (SA)
Plettenberg Bay
7 February 2023

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	4	5,855	-
Current assets			
Cash and cash equivalents	5	1,096,240	905,031
Total assets		**1,102,095**	**905,031**
Retained funds and liabilities			
Retained funds			
Accumulated surplus		702,095	704,743
Liabilities			
Current liabilities			
Provisions	6	400,000	200,000
Trade and other payables		-	288
Total current liabilities		**400,000**	**200,288**
Total retained funds and liabilities		**1,102,095**	**905,031**

Detailed Income Statement

Figures in R	2022	2021
Revenue		
Subscriptions	285,395	331,750
Other income		
Donations - General	23,600	42,776
Administrative expenses		
Accounting officer fees	(4,500)	-
Bank charges	(2,555)	(2,269)
Computer expenses	(999)	-
Flowers and gifts	(500)	-
Secretarial fees	(67,200)	(61,200)
Telecommunication	(1,800)	(1,800)
	(77,554)	**(65,269)**
Other expenses		
Advertising	-	(2,700)
Copyright expenses	(2,000)	-
Depreciation - property, plant and equipment	(944)	-
Hosting costs	(2,004)	(2,004)
Legal expenses - Paid from general funds	(31,659)	(68,791)
Legal expenses - Provision for active court cases	(200,000)	(200,000)
Media publications	-	(14,607)
Meeting costs - AGM	-	(1,488)
Newsletter costs	(4,140)	(9,140)
Post box rental	(585)	(585)
Printing and stationery	(927)	(88)
Website and social media costs	(33,600)	(46,100)
	(275,859)	**(345,503)**
Deficit from operating activities	**(44,418)**	**(36,246)**
Finance income		
Interest received	41,770	22,303
Deficit for the year	**(2,648)**	**(13,943)**

Plettenberg Bay Ratepayers and Residents Association

Financial Statements for the year ended 31 December 2022

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 January 2021	718,686	718,686
Changes in retained funds		
Deficit for the year	(13,943)	(13,943)
Total comprehensive income for the year	(13,943)	(13,943)
Balance at 31 December 2021	**704,743**	**704,743**
Balance at 1 January 2022	704,743	704,743
Changes in retained funds		
Deficit for the year	(2,648)	(2,648)
Total comprehensive income for the year	(2,648)	(2,648)
Balance at 31 December 2022	**702,095**	**702,095**

Statement of Cash Flows

Figures in R	Note	2022	2021
Cash flows from operations			
Deficit for the year		**(2,648)**	**(13,943)**
Adjustments to reconcile deficit			
Adjustments for finance income		(41,770)	(22,303)
Adjustments for decrease in trade accounts payable		(288)	(2,276)
Adjustments for depreciation and amortisation expense		944	-
Adjustments for provisions		200,000	200,000
Total adjustments to reconcile deficit		**158,886**	**175,421**
Net cash flows from operations		**156,238**	**161,478**
Interest received		41,770	22,303
Net cash flows from operating activities		**198,008**	**183,781**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(6,799)	-
Cash flows used in investing activities		**(6,799)**	**-**
Net increase in cash and cash equivalents		**191,209**	**183,781**
Cash and cash equivalents at beginning of the year		905,031	721,250
Cash and cash equivalents at end of the year	**5**	**1,096,240**	**905,031**

Accounting Policies

1. General information

Plettenberg Bay Ratepayers and Residents Association ('the non-profit organisation') object is to protect, promote and further the interest and rights of the ratepayers and residents of the area with the emphasis on Plettenberg Bay.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Plettenberg Bay Ratepayers and Residents Association have been prepared in accordance with the basis of accounting set out below and the Nonprofit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The preparation of financial statements in conformity with the basis of accounting described below requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit organisation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the committee.

Asset class	**Useful life**
Computer equipment	3 years

2.2 Financial instruments

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.3 Provisions

Provisions for legal costs are recognised when: the non-profit organisation has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.4 Revenue

Revenue is measured at the fair value of the consideration received.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Interest income is recognised using the effective interest method.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements

Figures in R	2022	2021

4. Property, plant and equipment

Balances at year end and movements for the year

	Computer equipment	Total
Reconciliation for the year ended 31 December 2022		
Balance at 1 January 2022		
At cost	-	-
Accumulated depreciation	-	-
Carrying amount	-	-
Movements for the year ended 31 December 2022		
Additions from acquisitions	6,799	6,799
Depreciation	(944)	(944)
Property, plant and equipment at the end of the year	**5,855**	**5,855**
Closing balance at 31 December 2022		
At cost	6,799	6,799
Accumulated depreciation	(944)	(944)
Carrying amount	**5,855**	**5,855**

5. Cash and cash equivalents

5.1 Cash and cash equivalents included in current assets:

	2022	2021
Cash		
Balances with banks	1,096,240	905,031

5.2 Net cash and cash equivalents

	2022	2021
Current assets	1,096,240	905,031

5.3 Detail of cash and cash equivalent balances

	2022	2021
Bank balances		
Current account	6,208	6,769
Money Market deposits	924,017	740,695
Unit Trusts	165,597	157,149
Petty cash	418	418
Total	**1,096,240**	**905,031**

Notes to the Financial Statements

Figures in R	2022	2021

6. Provisions

6.1 Provisions comprise:

	2022	2021
Other provisions	400,000	200,000
Other provisions	400,000	200,000
Current portion	**400,000**	**200,000**
	400,000	**200,000**

6.2 Other provisions

	Provision for legal fees	Total
Balance at 1 January 2022	**200,000**	**200,000**
Provision for fees accrued in the attorneys records not invoiced to the association yet	200,000	200,000
Total changes	200,000	200,000
Balance at 31 December 2022	**400,000**	**400,000**
Balance at 1 January 2021	-	-
Provision for fees accrued in the attorneys records not invoiced to the association yet	200,000	200,000
Total changes	200,000	200,000
Balance at 31 December 2021	**200,000**	**200,000**

6.3 Details of other provisions

Provision for legal fees - 31 December 2021 & 31 December 2022

Due to the nature of the association a provision for legal fees must always be considered (Fees that has accrued at the attorneys, but has not been billed to the association). The active cases at the reporting date are:

1. Overpayment of salaries by the Bitou Municipality.

2. Interdicting the purchase of two mayoral cars by the Bitou Municipality.