

**THORNHILL HOMEOWNERS ASSOCIATION  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
29 FEBRUARY 2024**

**THORNHILL HOMEOWNERS ASSOCIATION  
INFORMATION AND INDEX TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

***These financial statements have been audited.***

Registration number: Registered in terms of a constitution

Trustees: I. Boxwall  
S. Burrows  
A. Gittings  
G. Harlett  
C. Van Wyk

Nature of business: Homeowners Association

Financial statements compiled by: Jessica Swart Bcom. Financial Accounting

Independent auditors: Michael Reynolds  
B.Com B.Com Hons C.A.(S.A.) B.A. C.IFRS MDPB-BBEE RA (SA)  
for: MWRK Accountants and Auditors Incorporated  
53 O'Reilly Merry Street, Rynfield, Benoni, 1501

Bankers: ABSA Group Limited

Registered office and trading address: 9 Namur Avenue, Thornhill Estate, Modderfontein, 1609

**Contents**

Statement of trustees responsibility	2
Trustees approval of the annual financial statements	2
Report of the independent auditors	3 - 4
Report of the trustees of the homeowners association	5 - 6
Accounting policies and definitions	7 - 8
Statement of financial position	9
Detailed income statement	11
Statement of cash flows	12
Statement of changes in reserves	13
Notes to the annual financial statements	14 - 19
<i>Statements not forming part of the annual financial statements</i>	
Statement of statistics and taxation	20

**THORNHILL HOMEOWNERS ASSOCIATION  
STATEMENT OF TRUSTEES RESPONSIBILITY  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards.

The members are also responsible for the association's system of internal financial control. This system is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of and for the assets as well as to prevent and detect misstatement and loss.

Nothing has come to the attention of the members to indicate that any material breakdown in the functioning of these controls, procedures and system has occurred during the year under review.

The financial statements have been prepared on the going concern basis. Based on cash flow forecasts and available cash resources the members have no reason to believe that the association will not be a going concern in the foreseeable future as the association has access to sufficient resources to continue in operation.

The independent external auditors, MWRK Accountants and Auditors Incorporated, were given unrestricted access to all financial records and related data, including minutes of meetings of the members and have audited the association's annual financial statements. The members believe that all representations made to the independent auditors during their audit are valid and appropriate.

**TRUSTEES APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

The annual financial statements set out on pages 5 to 19 were approved by the members and are signed on their behalf by:

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**Trustee**

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**Trustee**

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**Executive member**

**Benoni**  
**05 September 2024**



## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THORNHILL HOMEOWNERS ASSOCIATION**

### ***Unqualified audit opinion***

We have audited the annual financial statements of Thornhill Homeowners Association, which comprise an trustees report, a statement of financial position at 29 February 2024, a Statement of comprehensive surplus or deficit, a statement of cash flows and a statement of changes in reserves for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 19

In our opinion, the financial statements fairly present, in all material respects, the financial position of the organisation at 29 February 2024 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### ***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 Financial Statements section of our report. We are independent of the homeowners association in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ( Parts 1, 3, 4A and 4B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Other information***

The trustees are responsible for the other information. The other information comprises the Trustees Report set out on pages 5 to 6, and the data set out on page 20. This information does not form part of the financial statements and we do not express any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read this other information and, in doing so, consider whether the other information is materially consistent with the financial statements and our knowledge of the homeowners association, or not. If we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### ***Trustees responsibility for the financial statements***

The association's trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the members determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, they are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related thereto and using the going concern basis of accounting unless the members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS (continued)  
TO THE TRUSTEES OF  
THORNHILL HOMEOWNERS ASSOCIATION**

***Auditor responsibility for the audit of the homeowners associations' financial statements***

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the financial statements. As part of an audit in accordance with ISA's, 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 the audit;
- Exercise professional judgment and maintain professional scepticism throughout the audit.
- We also identify and assess the risks of material misstatement of the financial statements, whether due to fraud and 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 the 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 of the effectiveness of the homeowners association's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by management;
- Assess conditions that may cast significant doubt on the homeowners association's ability to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the financial statements in our audit report. If such disclosures are inadequate, then we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

***Key audit matters***

Key audit matters are those matters which, in our professional judgement, were of most significance in our audit of the financial statements. The matter we found to be of most significance, and the manner in which we satisfied ourselves that it did not impact upon the presentation of the financial statements on which have reported, is set out below.

In common with similar associations, it is not feasible for the organisation to institute accounting controls over cash collections prior to initial entry of the collections in the books of account. Accordingly, it was impracticable for us to extend our examination of income beyond receipts recorded.

**M.W. Reynolds**

B. Com B. Com Hons C.A. (S.A.) B.A. Sociology C. IFRS MDPB-BBEE RA (SA)  
Registered auditor  
Director

**Benoni**

**05 September 2024**

**THORNHILL HOMEOWNERS ASSOCIATION  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

The trustees present their report for the year ended 29 February 2024 below. This report forms part of the annual financial statements.

**Activities and operations**

The homeowners association is engaged in managing and maintaining the common property and operates in South Africa.

**Financial results**

The financial results are set out in the accompanying financial statements. The homeowners association incurred losses during the year under review due to significant increases in municipal bills. The trustees acknowledge that these were extraordinary increases in the bills and expect that they will stabilise in the forthcoming year leading to an improved performance.

**Property, plant and equipment**

The homeowners association has property, plant and equipment.

**Going concern status**

The homeowners association presently operates as a going concern and is expected to continue to do so for the foreseeable future as its current funding structure reflect adequacy of liquidity and an ability to meet all debts in the ordinary course of business.

**Borrowings**

The homeowners association does not have any borrowings or authorised borrowing facilities.

**Trustees interest in contracts**

To our knowledge none of the trustees had any interest in contracts entered into during the year under review.

**Contributions**

Contributions paid by sections owners and interest earned during the year were insufficient to meet expenditure. Refer to the detailed income statement.

**Labour legislation and employment equity compliance**

The homeowners association employs less than fifty employees and consequently does not need to comply with employment equity legislation. The homeowners association has issued its entire staff with employment contracts and has ensured that it is fully compliant with the Basic Conditions of Employment Act and the Labour Relations Act.

**Environmental policies**

There is no specific environmental legislation affecting the homeowners association or its industry and the homeowners association has not yet adopted any specific policies in this regard.

**Post year-end events**

No material events occurred after the end of this financial year, which require disclosure for a proper appreciation of the affairs of the homeowners association as at the end of the financial year under review, save and except as disclosed in this report and the accompanying financial information in these financial statements.

**THORNHILL HOMEOWNERS ASSOCIATION**  
**2005/020960/08**  
**REPORT OF THE TRUSTEES (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**Statutory returns**

The executive trustees have warranted that all the homeowners association's statutory returns have been duly completed and submitted to the agencies of the state which regulate the organisation's activities, the South African Revenue Services, the Workmen's Compensation Commissioner and the offices of the Unemployment Insurance Fund Commissioner as at the date of this report, insofar as returns to the year-end date are concerned.

**Managing agent**

The managing agent of the homeowners association is KPS Management services, at the financial year end.

**Auditors**

The trustees appointed MWRK Accountants and Auditors Incorporated. as auditors for the year under review. They will continue in office until otherwise resolved by the trustees.

**Social contributions**

The homeowners association is too small and insufficiently profitable to enable it to make charitable donations or contribute to community development projects at this stage.

**Promotion of Access to Information Act**

There were no requests for information lodged with the homeowners association in terms of the Promotion of Access to Information Act, 2 of 2000.

**THORNHILL HOMEOWNERS ASSOCIATION**  
**2005/020960/08**  
**ACCOUNTING POLICIES AND DEFINITIONS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**1. Basis of preparation**

The principal accounting policies used in preparing these financial statements are set out below and are consistent with those of the prior year, unless otherwise disclosed. The financial statements are prepared on the historical cost and fair value bases as disclosed in these policies, using South African Rands.

***Preparation of financial statements***

These financial statements comply with International Financial Reporting Standards (IFRS), the financial reporting guidelines, pronouncements and standards issued by the South African Institution of Chartered Accountants (SAICA), as amended.

**2. Property, Plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Other than freehold land and buildings on which depreciation is not provided, depreciation is recorded by a charge to income computed on the straight line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

Land and buildings	Indefinite
Motor Vehicles	4 Years
Other assets	5 Years

**3. Cash and cash equivalents**

Cash and cash equivalents are stated at their carrying amount which are deemed to be fair values.

**4. Trade and other receivable financial asset instruments**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less allowances for expected recovery losses. Recovery losses are recognised by reference to specifically identified receivables and are treated as operating expenses, separately identified to aid interpretation.

***Determination of the provision quantum***

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. If the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, liability specific risk. Where discounting is used, provision increases due to the elapse of time is treated as borrowing costs.

**5. Provisions**

***Basis of recognition***

Provisions are recognised in the statement of financial position where there is a legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be determined, and it is probable that an outflow of funds or resources will be required to settle the obligation.

***Determination of the provision quantum***

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision.



**THORNHILL HOMEOWNERS ASSOCIATION**  
**2005/020960/08**  
**ACCOUNTING POLICIES AND DEFINITIONS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**5. Provisions continued**

If the time value of money is material, provisions are discounted using current pre-tax rate that reflect, where appropriate, the risk specific to the liability. Where discounting is used, the provision increase due to the elapse of time is treated as a borrowing cost.

**6. Debt, trade and other payables financial liability instruments**

***Initial recognition***

Borrowings are initially recognised at fair value when the homeowners association becomes contractually involved. Fees paid to establish borrowings are recognised as transaction costs, unless fees are incurred for drawdowns which are unlikely to occur in which case these fees are set off against the initially recognised borrowing amount. Bank overdrafts and like borrowings are recognised as liabilities using the same principles as are used for cash and cash equivalents.

Trade and other payables are initially recognised at cost.

***Subsequent carrying value, measurement and de-recognition***

The difference between the initially recognised borrowings and the redemption amount are recognised as operating expenses in a separately identified category of expenditure over the period of the borrowings using the effective interest method. Fees for drawdowns not expected to occur upon initial recognition of the borrowings are amortised over the period of the borrowings as borrowing costs. Borrowings are de-recognised when the obligation in the contract is discharged, cancelled or expired.

In the case of non-interest-bearing liabilities and trade and other payables, they are discounted to account for interest unless the liability or payable will be extinguished within a year.

Derecognition occurs when the contractual rights and obligations which created the instrument no longer exist.

**7. Revenue and expenses recognition**

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably. It is measured using the fair value of the consideration received or receivable after considering contractually defined terms of payment and excluding taxes and duties.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership and/or control of the asset are transferred to the buyer. Revenue from services is recognised when the service has been rendered.

Interest is recognised using the effective interest method, which accounts for the effective yield on the asset over the period it is expected to be held. Dividends are recognised when the last date for dividend registration has passed.

Where the outcome of a revenue earning contract, which extends over different reporting periods, can be reliably estimated contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date relative to the estimated total contract revenues and costs.

Expenses are charged to profits and losses as and when incurred.

**THORNHILL HOMEOWNERS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024**

	NOTES	2024 RAND	2023 RAND
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	2 278 447	1 783 389
Deferred tax asset		16 252	---
		-----	-----
Aggregate non-current assets		2 294 699	1 783 389
		-----	-----
<b>Current assets</b>			
Taxation receivable	8	45 206	1 338
Trade and other receivables	2	622 502	514 763
Cash and cash equivalents	3	4 253 757	4 292 094
		-----	-----
Aggregate current assets		4 921 465	4 808 195
		-----	-----
<b>TOTAL ASSETS</b>		7 216 164	6 591 584
		=====	=====
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Administrative fund		4 436 769	5 284 198
		-----	-----
Aggregate reserves		4 436 769	5 284 198
		-----	-----
<b>Non-current liabilities</b>			
		---	---
		-----	-----
<b>Current liabilities</b>			
Provisions	4	34 000	32 000
Trade and other payables	5	2 745 395	1 275 386
		-----	-----
Aggregate current liabilities		2 779 395	1 307 386
		-----	-----
<b>TOTAL RESERVES AND LIABILITIES</b>		7 216 164	6 591 584
		=====	=====

**THORNHILL HOMEOWNERS ASSOCIATION  
DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	NOTES	2024 RAND	2023 RAND
<b>Gross revenues</b>			
Levies income - ordinary		11 001 340	10 398 570
Penalty income		62 979	65 421
Profit on disposal of asset		70 000	---
Rental income		43 200	46 600
Sundry income		160 767	125 370
		-----	-----
Gross revenues for the year		11 338 286	10 635 961
<b>Direct costs</b>			
Computer expenses		-41 649	-67 022
Employee cost		-1 589 070	-1 581 118
Electricity		-78 685	-79 639
Entertainment		-80 905	-97 054
Motor vehicle expenses		-249 617	-303 696
<u>Repairs and maintenance</u>			
-Building		-288 936	-229 254
-Camera		-113 259	-174 737
-Dam project		-46 631	-19 842
-Electrical		-51 001	-22 931
-Electric fence		-265 890	-652 782
-Garden repairs		-1 790 241	-1 704 993
-Office equipment		-5 078	---
-Perimeter pathway		-249 705	-310 675
-Playground equipment		-18 217	---
-Pool		-23 209	---
-Roads		-1 450	---
-Solar System		-41 754	---
Rates		-84 801	-18 195
Refuse		-5 771	-5 134
Security		-4 869 697	-4 794 033
Sewerage		-616 948	-48 170
Water		-857 946	-50 847
		-----	-----
Gross (deficit) / surplus		-32 174	475 839

**THORNHILL HOMEOWNERS ASSOCIATION  
DETAILED INCOME STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	NOTES	2024 RAND	2023 RAND
<b>Gross (deficit) / surplus</b>		-32 174	475 839
<b>Support services and administration expenses</b>			
Auditor remuneration		-34 000	-32 800
Audit secretarial fees		-4 863	-3 500
Bank charges		-11 400	-10 801
Cleaning		-2 160	-4 154
Depreciation		-118 562	-63 612
Insurance		-184 785	-156 322
-Insurance		-176 427	-148 543
-Fidelity fund insurance		-8 358	-7 779
Interest paid		-5 708	-3 259
Legal fees		-101 898	---
Management fees		-408 000	-387 600
Printing and stationery		-11 468	-12 876
General expenses		-74 008	-58 865
Telephone		-89 802	-78 069
Workmen's compensation		-10 334	-9 074
<b>Deficit from operations</b>	6	-1 089 162	-345 093
Revenue from invested funds - interest		275 602	180 454
<b>Deficit before taxation</b>		-813 560	-164 639
Taxation	7	-33 869	-98 858
<b>Comprehensive deficit for the year</b>		-847 429	-263 497

**THORNHILL HOMEOWNERS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	NOTES	2024 RAND	2023 RAND
<b>Cash flows from operating activities</b>			
Cash collected from customers		11 230 547	10 500 638
Cash paid to suppliers of goods and services		-10 930 866	-10 458 680
		-----	-----
Cash movement from operating activities	9	299 681	41 958
Investment income		275 602	180 454
		-----	-----
Net cash flows from operations		575 283	222 412
		-----	-----
<b>Cash flows from financing activities</b>		---	---
		-----	-----
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquisition		-613 621	---
Property, plant and equipment disposal		1	---
		-----	-----
Net cash flow from investing activities		-613 620	---
		-----	-----
<b>Net changes in cash and cash equivalents</b>		-38 337	222 412
Cash and cash equivalents at the beginning of the year		4 292 094	4 069 682
		-----	-----
<b>Cash and cash equivalents at the end of the year</b>		4 253 757	4 292 094
		=====	=====
<b>Analysis of cash and cash equivalents at year-end:</b>			
Bank current account	3	4 253 757	4 292 094
		=====	=====

**THORNHILL HOMEOWNERS ASSOCIATION**  
**STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

	2024 RAND	2023 RAND
	Administrative fund	
Balance at the beginning of the year	5 284 198	5 547 695
Comprehensive deficit	-847 429	-263 497
	-----	
Balance at the end of the year	4 436 769	5 284 198
	=====	

**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**1. Property, plant and equipment**

	<b>Land and Buildings RAND</b>	<b>Motor Vehicles RAND</b>	<b>Other Assets RAND</b>	<b>2024 Total RAND</b>
Carrying value at beginning of the year:				
Cost	1 703 129	455 780	28 000	2 186 909
Accumulated depreciation	---	-388 120	-15 400	-403 520
	1 703 129	67 660	12 600	1 783 389
Additions	---	215 548	398 073	613 621
Depreciation	---	-92 660	-25 902	-118 562
Disposals	---	-1	---	-1
Carrying value at the end of the year	1 703 129	190 547	384 771	2 278 447
Carrying value at year-end comprises:				
Cost	1 703 129	550 868	426 073	2 680 070
Accumulated depreciation	---	-360 321	-41 302	-401 623
Carrying value at the end of the year	1 703 129	190 547	384 771	2 278 447
				<b>2023</b>
Carrying value at beginning of the year:				
Cost	1 703 129	455 780	28 000	2 186 909
Accumulated depreciation	---	-330 108	-9 800	-339 908
	1 703 129	125 672	18 200	1 847 001
Additions	---	---	---	---
Depreciation	---	-58 012	-5 600	-63 612
Disposals	---	---	---	---
Carrying value at the end of the year	1 703 129	67 660	12 600	1 783 389
Carrying value at year-end comprises:				
Cost	1 703 129	455 780	28 000	2 186 909
Accumulated depreciation	---	-388 120	-15 400	-403 520
Carrying value at the end of the year	1 703 129	67 660	12 600	1 783 389
Estimated useful life of the assets	Indefinite	4 Years	5 Years	---
				<b>2024</b>
Carrying value			Cost model	Cost model
Carrying value methodology			Cost less accumulated depreciation	Cost less accumulated depreciation
Valuer hierarchy			Level 3	Level 3
Valuers			Trustees	Trustees

**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<b>2024 RAND</b>	<b>2023 RAND</b>
<b>2. Trade and other receivables</b>		
Municipal deposit	28 433	28 433
Outstanding levies	449 323	317 282
Prepaid municipal expenses	138 468	152 179
Sundry debtors	6 278	16 869
	-----	-----
Aggregate receivables	622 502	514 763
	=====	=====
Ageing of outstanding levies		
Outstanding levies - Current	110 162	97 271
Outstanding levies - 30 days	53 919	36 464
Outstanding levies - 60 days	30 735	29 698
Outstanding levies - 90 days	32 677	17 901
Outstanding levies - 120+ days	221 830	135 948
	-----	-----
Aggregate outstanding levies	449 323	317 282
	=====	=====
<b>3. Cash and cash equivalents</b>		
KPS Trust account - current account	757 852	1 069 500
Investec Bank Limited call account	3 484 367	3 208 765
Petty cash	11 538	13 829
	-----	-----
Bank and cash balances at the end of the year	4 253 757	4 292 094
	=====	=====
Interest receivable on cash held in current accounts	None	None
Interest receivable on cash held in call accounts	Prime rate less 3% to 4%	Prime rate less 3% to 4%
	=====	=====
<b>4. Provisions</b>		
Provision for independent audit fees	34 000	32 000
	=====	=====
The provision movement during the year was:		
Balance at the beginning of the year	32 000	30 000
Audit fees paid	-32 000	-30 800
Under provision prior year	---	800
Current year fee provision	34 000	32 000
	-----	-----
Balance at the end of the year	34 000	32 000
	=====	=====



**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<b>2024 RAND</b>	<b>2023 RAND</b>
<b>5. Trade and other payables</b>		
CSOS levies payable	26 394	24 355
Deposits	105 677	103 177
Guards donations	6 827	14 573
Levies received in advance	185 984	237 001
Sundry creditors	2 420 513	896 280
	-----	-----
Aggregate payables	2 745 395	1 275 386
	=====	=====
<b>6. Deficit from operations</b>		
The deficit from operations is stated after taking into account the following expenses:		
Independent auditor remuneration		
Audit fees for the current year	34 000	32 800
Fees for other services	4 863	3 500
	-----	-----
Aggregate auditor remuneration	38 863	36 300
	=====	=====
<b>7. Taxation</b>		
South African company normal taxation:		
Current taxation for the current year	50 121	98 858
Deferred taxation on temporary differences between the accounting and tax bases of assets and liabilities	-16 252	---
	-----	-----
Aggregate taxation	33 869	98 858
	=====	=====
Assessed losses available for setoff against future profits	---	---
	=====	=====
	<b>%</b>	<b>%</b>
Reconciliation of current tax rate to statutory tax rate:		
Standard tax rate	27.00	28.00
Deferred taxation attributable to temporary differences between accounting and tax bases of assets and liabilities	-2.00	---
	-----	-----
Current tax rate	-6.16	-60.05
Deferred tax rate	2.00	0.00
	-----	-----
Effective tax rate	-4.16	-60.05
	=====	=====

**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<b>2024 RAND</b>	<b>2023 RAND</b>
<b>8. Taxation payable</b>		
Amount due at the beginning of the year	1 338	-16 228
Aggregate taxation expense	-33 869	-98 858
Deferred taxation excluded	-16 252	---
Amount prepaid at the end of the year	-45 206	-1 338
	-----	-----
Taxation paid	-93 989	-116 424
	=====	=====
<b>9. Reconciliation of deficit before taxation to cash movement arising from operations</b>		
Deficit before taxation	-813 560	-164 639
Adjusted for non-cash flow items:		
Provision movement	2 000	2 000
Depreciation	118 562	63 612
Adjusted for separately disclosed items		
Revenue from investments - interest	-275 602	-180 454
Taxation paid	-93 989	-116 424
	-----	-----
	-1 062 589	-395 905
Working capital changes:		
Cash utilised to fund increased customer and other credit	-107 739	-135 323
Cash generated from reduced customer and other credit	---	---
Cash utilised to reduce supplier and other credit	---	---
Cash generated from increased supplier and other credit	1 470 009	573 186
	-----	-----
Net cash flows from activities	299 681	41 958
	=====	=====
<b>10. Insurance policy details</b>		
Insurer:	Compass Insurance Company Limited	
Policy number:	CIA 055-560	
Period of cover:	01/04/2023 - 31/03/2024	
Policy renewal date:	01/04/2024	
Payment basis:	Monthly debit order	
Sum insured:	R14 163 925	
Premiums paid for current year:	176 427	
<b>11. Community Schemes Ombud Service levies payable</b>		
Levies due to Community Schemes Ombud Service	26 394	24 355
Levies paid to Community Schemes Ombud Service	156 113	144 933
	=====	=====

**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**2024**                      **2023**

**11. Community Schemes Ombud Service levies payable (continued)**

Levies are payable to the Community Schemes Ombud Service on a quarterly basis with the next quarterly payment due 31 March 2024

**12. Asset and liability categorisation**

Assets and liabilities are carried at either cost or fair value depending on a variety of factors as set out in the reporting requirements. These factors include management discretion in some cases. In order to interpret the financial statements in a meaningful manner, the carrying value of these assets and liabilities are set out below.

<b>Accounting category</b>	<b>Accounting methodology</b>	<b>RAND</b>	<b>RAND</b>
<u>Current financial assets</u>			
Trade and other receivables	<i>Amortised cost through profit or loss</i>	622 502	514 763
Cash and cash equivalents	<i>Amortised cost through profit or loss</i>	4 253 757	4 292 094
<u>Current financial liabilities</u>			
Provisions	<i>Fair value through profit or loss</i>	34 000	32 000
Trade and other payables	<i>Amortised cost through profit or loss</i>	2 745 395	1 275 386

=====

**13. Risk analysis**

The trustees have analysed risks to the value of assets, liabilities and future profitability using judgements and estimates. These risks and the quantum where relevant are set out below.

**Risk**

Capital expenditure contracted for	None	None
Contingent liability exposure	None	None
Contractual commitment exposure	None	None
Employee benefit fund and other potential dues	None	None

**THORNHILL HOMEOWNERS ASSOCIATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

	2024	2023
<b>13. Risk analysis</b>		
Interest rate risk	None	None
<u>Current solvency</u>		
Capital and accumulated surplus	4 436 769	5 284 198
	-----	-----
<u>Liquidity</u>		
Net current assets	2 176 070	3 532 809
Unutilised current borrowings for working capital	---	---
	-----	-----
Liquidity buffer	2 176 070	3 532 809
	-----	-----

**THORNHILL HOMEOWNERS ASSOCIATION  
STATEMENT OF STATISTICS  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	<b>2024 RAND</b>	<b>2023 RAND</b>
The association's relevant statistics are:		
Percentage change in collection levies	6.60	4.39
Deficit percentage	-7.18	-1.55
Current ratio	1.79	3.77
	=====	=====

**STATEMENT OF TAXATION**

Comprehensive deficit before taxation	-813 560	-164 639
Add: Expenditure relating to home owners associations 10(1)(e)(i)	12 427 448	10 981 054
Deduct: Allowable expenditure	-45 400	-14 781
Deduct: Levies and recoveries received from members	-11 001 340	-10 398 570
Deduct: S12BA allowance on solar equipment	-331 515	---
	-----	-----
Total income	235 633	403 064
Less: Basic exemption section 10(1)(e)(ii)	-50 000	-50 000
	-----	-----
Taxable income	185 633	353 064
	=====	=====
Taxation @ 27% / prior year 28%	50 121	98 858
	=====	=====
Provisional tax paid	95 327	100 197
	=====	=====