

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 29 February 2020**

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

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## **DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

### **ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2020**

#### **EXECUTIVE COMMITTEE'S RESPONSIBILITIES AND APPROVAL**

The Executive Committee is required by the constitution to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the result of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium sized Entities.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the Executive 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Executive Committee is of the opinion, based on the information and explanations given by the Committee, that the system of internal control provide reasonable assurance that the financial records may be relied upon for the preparation of financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material mis-statement or loss.

The Executive Committee have reviewed the associations cash flow forecast for the year to February 2021 and in the light of this review and the current financial position, they are satisfied that the association have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 12, were approved by trustees on 09 June 2020 and have been signed on their behalf by :

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**CHAIRPERSON**

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**TREASURER**

**REPORT OF THE ACCOUNTING OFFICER  
TO THE DIRECTORS OF  
DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

I have compiled to accompanying annual financial statements of Dolphin Coast Residents and Ratepayers Association based on the information you have provided. These annual financial statements are presented in accordance with International Financial Reporting Standards. The annual financial statements comprise the statement of financial position of Dolphin Coast Residents and Ratepayers Association as at 28 February 2020, and the statement of retained earnings for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for these annual financial statements including adoption of the applicable financial reporting framework, and for the accuracy and completeness of the information used to compile the annual financial statements.

I performed this compilation engagement in accordance with the International Standard on Related Services (ISRS) 4410. This standard requires that we comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion.

Accordingly, I do not express an audit opinion or a review conclusion on these annual financial statements.

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**NJ Daniels**  
**Professional Accountant (S.A.)**

**Pietermaritzburg**

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**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**STATEMENT OF FINANCIAL POSITION  
at 29 February 2020**

	Notes	2020 R	2019 R
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible Assets	2	-	<b>31 481</b>
		-	31 481
<i>Current assets</i>			
Cash and cash equivalents	3	<b>247 320</b>	<b>262 740</b>
		247 320	262 740
<i>Total assets</i>		<b>247 320</b>	<b>294 221</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity and reserves</i>			
Accumulated surplus	4	<b>247 320</b>	<b>294 221</b>
		247 320	294 221
<i>Total equity and liabilities</i>		<b>247 320</b>	<b>294 221</b>

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 29 February 2020

	Notes	2020 R	2019 R
<b>Other Income</b>			
Membership Fees		195 957	86 550
SAPS Project Surplus		87	-
Interest Received		18 140	11 656
<b>Gross profit</b>		<b>214 184</b>	<b>98 206</b>
<b>Operating expenses</b>			
		<b>(261 085)</b>	<b>(14 978)</b>
Accounting fees		4 545	-
Administration Fees		179 556	-
Advertising and promotions		4 231	1 801
Bank charges		1 919	1 000
Catering Expenses		4 279	-
Computer Expenses		7 776	-
Gifts		805	-
Legal Fees		21 044	-
Printing and stationery		2 754	-
Telephone and fax		518	-
Travel and accommodation		44	-
Website Amortisation		31 481	5 247
Website Cost		2 133	6 930
<b>(Deficit)/surplus</b>		<b>(46 901)</b>	<b>83 228</b>
Finance charges		-	-
<b>(Deficit)/surplus before taxation</b>		<b>(46 901)</b>	<b>83 228</b>
Taxation		-	-
<b>(Deficit)/surplus for the year</b>		<b>(46 901)</b>	<b>83 228</b>

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 29 February 2020**

	Accumulated Surplus R	Total Equity R
<b>Balance at 1 March 2018</b>	<b>210 993</b>	<b>210 993</b>
Total comprehensive income for the year	83 228	83 228
<b>Balance at 1 March 2019</b>	<b>294 221</b>	<b>294 221</b>
Total comprehensive income for the year	(46 901)	(46 901)
<b>Balance at 29 February 2020</b>	<b>247 320</b>	<b>247 320</b>

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**STATEMENT OF CASH FLOWS**  
**for the year ended 29 February 2020**

	Notes	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash receipts from Members		-	-
Cash paid to suppliers and employees		(33 559)	76 819
Cash generated from operations	5	(33 559)	76 819
		-	-
<b>Net cash from operating activities</b>		<b>(33 559)</b>	<b>76 819</b>
<b>Cash flows from investing activities</b>			
Interest Income		18 139	11 656
Purchase of property, plant and equipment		-	-
<b>Net cash from investing activities</b>		<b>18 139</b>	<b>11 656</b>
<b>Cash flows from financing activities</b>			
Share capital introduced		-	-
Movement in directors loans		-	-
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>(15 420)</b>	<b>88 475</b>
Cash at the beginning of the year		262 740	174 265
<b>Total cash at the end of the year</b>	3	<b>247 320</b>	<b>262 740</b>

## DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

### ACCOUNTING POLICIES

for the year ended 29 February 2020

#### 1. Presentation of annual financial statements

The annual financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period:

##### 1.1 Intangible Assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follow:

<b>Item</b>	<b>Useful life</b>
Website	10 Years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

##### 1.2 Impairment of Assets

The association assesses at each reporting date whether there is any indication that tangible assets may be impaired

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

If an impairment loss subsequently reversed, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset ( or group of assets) in prior years. A reversal of impairment is recognised immediately in profit and loss.



## **DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

### **ACCOUNTING POLICIES (Continued)**

#### **1.3 Financial Instruments**

##### **Initial Measurement**

Financial instruments are initial measurement at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financial transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for similar debt instrument.

##### **Financial Instruments at amortised cost**

These include loans, trade, trade receivables and trade payable. Those debts instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financial transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

##### **Financial Instruments at Cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

##### **Financial Instruments at Fair Value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

#### **1.4 Revenue**

Revenue is recognised to the extent that the association has transferred the significant risk and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefit associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 29 February 2020

	2020 R	2019 R
<b>2. Intangible Assets</b>		
Website	-	31 481
Cost	52 469	52 469
Accumulated Amortisation	(52 469)	(20 988)
	-	<b>31 481</b>

**Reconciliation of property, plant and equipment - 29 February 2020**

	Net book value at the beginning of the year	Amortisation	Additions / disposals	Net book value at the end of the year
Website	<b>31 481</b>	<b>(31 481)</b>	-	-

**Reconciliation of property, plant and equipment - 28 February 2019**

	Net book value at the beginning of the year	Amortisation	Additions / disposals	Net book value at the end of the year
Website	<b>36 728</b>	<b>(5 247)</b>		<b>31 481</b>

The website has been amortised in full during the financial year. There is no scrapping or depreciation write back as the entity is a non profit organisation

The cost of the new website will be expensed over the period as stipulated in SARS practice note 19 in the 2021 financial year.

	2020 R	2019 R
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	6 079	79 921
Investments	241 241	182 819
	<b>247 320</b>	<b>262 740</b>

**4. Retained Income**

<b>Opening Balance</b>	294 221	210 993
(Deficit)/ Surplus	<b>(46 901)</b>	83 228
<b>Closing Balance</b>	<b>247 320</b>	<b>294 221</b>

**5. Cash generated from operations**

(Deficit)/Surplus before taxation	(46 901)	83 228
<b>Adjustments for:</b>		
Amortisation of Website	31 481	5 247
Interest Received	(18 139)	(11 656)
<b>Changes in working capital:</b>		
Trade and other receivables	-	-
Trade and other payables	-	-
	<b>(33 559)</b>	<b>76 819</b>

**DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION**

**ANNUAL FINANCIAL STATEMENTS  
29 FEBRUARY 2020**