

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

**ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2022**

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 28 February 2022**

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 2022 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 02 June 2022 and have been signed on their behalf by :

CHAIRPERSON

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 2022, 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.

NJ Daniels
Professional Accountant (S.A.)

Pietermaritzburg

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DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

STATEMENT OF FINANCIAL POSITION
at 28 February 2022

	Notes	2022 R	2021 R
ASSETS			
<i>Current assets</i>		541,435	342,687
Cash and cash equivalents	3	<u>541,435</u>	<u>342,687</u>
<i>Total assets</i>		<u>541,435</u>	<u>342,687</u>
EQUITY AND LIABILITIES			
<i>Equity and reserves</i>		541,435	342,687
Accumulated surplus	4	<u>541,435</u>	<u>342,687</u>
<i>Total equity and liabilities</i>		<u>541,435</u>	<u>342,687</u>

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2022

	Notes	2022 R	2021 R
Other Income			
Membership Fees		458,135	305,698
Donations Received		-	500
Interest Received		37,567	25,307
Gross profit		495,702	331,505
Operating expenses		(296,953)	(236,138)
Accounting fees		4,500	3,500
Administration fees		214,700	198,700
Advertising and promotions		19,770	2,401
Bank charges		2,998	1,841
Catering expenses		2,978	3,611
Computer expenses		8,317	2,589
Consulting fees		5,000	-
Gifts		-	243
Legal Fees		21,825	131
Printing and stationery		3,350	5,828
Project expenses		-	6,092
Telephone and data fees		453	319
Website cost		13,062	10,883
Surplus		198,749	95,367
Finance charges		-	-
Surplus before taxation		198,749	95,367
Taxation		-	-
Surplus for the year		198,749	95,367

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2022

	Accumulated Surplus R	Total Equity R
Balance at 1 March 2020	247,320	247,320
Total comprehensive income for the year	95,367	95,367
Balance at 1 March 2021	342,687	342,687
Total comprehensive income for the year	198,749	198,749
Balance at 28 February 2022	541,435	541,435

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

STATEMENT OF CASH FLOWS for the year ended 28 February 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash receipts from Members		-	-
Cash paid to suppliers and employees		161,182	70,060
Cash generated from operations	5	161,182	70,060
		-	-
Net cash from operating activities		161,182	70,060
Cash flows from investing activities			
Interest Income		37,567	25,307
Purchase of property, plant and equipment		-	-
Net cash from investing activities		37,567	25,307
Cash flows from financing activities			
Share capital introduced		-	-
Movement in directors loans		-	-
Net cash from financing activities		-	-
		-	-
Total cash movement for the year		198,749	95,367
Cash at the beginning of the year		342,687	247,320
Total cash at the end of the year	3	541,435	342,687

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

ACCOUNTING POLICIES

for the year ended 28 February 2022

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:

Item	Useful life
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 initially measured 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 28 February 2022

2. Intangible Assets	2022 R	2021 R
Website	-	-
Cost	52,469	52,469
Accumulated Amortisation	(52,469)	(52,469)
	-	-

Reconciliation of property, plant and equipment - 28 February 2022

	Net book value at the beginning of the year	Amortisation	Additions / disposals	Net book value at the end of the year
Website	-	-	-	-

Reconciliation of property, plant and equipment - 28 February 2021

	Net book value at the beginning of the year	Amortisation	Additions / disposals	Net book value at the end of the year
Website	-	-	-	-

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 was expensed over the period as stipulated in SARS practice note 19 in the 2021 and 2022 financial year.

3. Cash and cash equivalents	2022 R	2021 R
Cash and cash equivalents consist of:		
Bank balances	220	1,439
Call account	541,215	341,248
	541,435	342,687

4. Retained Income

Opening Balance	342,687	247,320
Surplus	198,749	95,367
Closing Balance	541,435	342,687

5. Cash generated from operations

Surplus before taxation	198,749	95,367
Adjustments for:		
Amortisation of Website	-	-
Interest Received	(37,567)	(25,307)
Changes in working capital:		
Trade and other receivables	-	-
Trade and other payables	-	-
	161,182	70,060

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

**ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2022**

DOLPHIN COAST RESIDENTS AND RATEPAYERS ASSOCIATION

**ACTUAL versus BUDGET
for the year ended 28 February 2022**

	2022	
	Actual R	Budget R
Income	495,702	400,000
Interest Received	37,567	20,000
Project Surplus		
Membership Fees	458,135	380,000
Operating Expenses	(296,953)	(352,780)
Admin Fees	(214,700)	(260,000)
Advertising	(19,770)	(4,500)
Accounting Fees	(4,500)	(5,000)
Bank Charges	(2,998)	(2,000)
Catering Expense	(2,978)	(6,000)
Consulting Fee	(5,000)	-
Data & Cell	(453)	(1,000)
Gifts	-	(2,000)
Legal Fees	(21,825)	(40,000)
Printing and Stationery	(3,350)	(8,000)
Software	(8,317)	(4,000)
Travel and Accommodation	-	(5,000)
Website Development and Maintenance	(9,600)	(12,480)
Website Hosting Cost	(3,462)	(2,800)
Profit (Loss) for the Year	198,749	47,220