

**THE BODY CORPORATE OF PEZULA HOTEL
(Scheme number SS 598/2004)
Annual Financial Statements
for the year ended 29 February 2024**

The Body Corporate of Pezula Hotel

(Scheme number: SS 598/2004)

Annual Financial Statements for the year ended 29 February 2024

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Independent Auditor's Report

To the Members of The Body Corporate of Pezula Hotel

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of The Body Corporate of Pezula Hotel (the body corporate) set out on pages 7 to 16, which comprise the statement of financial position as at 29 February 2024, statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of The Body Corporate of Pezula Hotel for the year ended 29 February 2024 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Sectional Titles Schemes Management Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the body corporate 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 of annual financial statements 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the body corporate's own accounting policies to satisfy the financial information needs of the body corporate's owners. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Body Corporate of Pezula Hotel annual financial statements for the year ended 29 February 2024", which includes the Trustees' Report as required by the Sectional Titles Schemes Management Act and the supplementary information as set out on page 17. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Sectional Titles Schemes Management Act, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the body corporate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the body corporate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or 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 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 on the effectiveness of the body corporate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the body corporate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, 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 body corporate to cease to continue as a going concern.

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 our audit.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

In accordance with the Management Rules of the body corporate and in terms of Regulation 6 of the Sectional Titles Schemes Management Regulations 2016, Rules 26(5)(c)(ii), (iii) and (iv), we report as follows:

Compliance findings with accounting requirements (Rule 26(5)(c)(ii))


The trustees are responsible to ensure that the body corporate complies with management rules 21, 24 and 26 adopted in terms of the Sectional Title Schemes Management Regulations 2016, which includes the implementation of systems, processes and internal controls such internal control as the trustees determine is necessary.

If during the course of our audit of the annual financial statements of the body corporate we become aware of any instances of non-compliance with the accounting requirements set out in management rules 21, 24 and 26 (the Rules), we are required to report our findings. We identified the following instances of non-compliance with the Rules:

- Rule 26(1)(f) as the trustees did not adopt a report reviewing the affairs of the body corporate at the AGM.

Management of the body corporate's financial affairs and funds (Rules 26(5)(c)(iii) and (iv))

The assurance engagements, or part of an assurance engagement, as contemplated in Management Rule 26(5)(c)(iii) and (iv) do not meet the preconditions for an assurance engagement as determined by the relevant International Standards applicable to audit, review and other assurance engagements. The subject matters are not appropriate and there are no suitable criteria for their engagement relating to whether the books of account of the body corporate have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud, and whether the financial affairs of the body corporate appear to be effectively managed, as required by Management Rules 26(5)(c)(iii) and (iv). We have not performed any audit, review or other assurance engagement in relation to these matters and accordingly we do not express any assurance opinion or conclusion thereon.



Cecil Kilpin & Co
Chartered Accountants (SA)
Registered Auditors
Per Partner: Sidney Schonegevel

Century City
Date: 28/06/2024

The Body Corporate of Pezula Hotel

(Scheme number: SS 598/2004)

Annual Financial Statements for the year ended 29 February 2024

Trustees' Responsibilities and Approval

The trustees are required 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 fairly present the state of affairs of the body corporate as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting described in Note 1.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The trustees 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 trustees have reviewed the body corporate's cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are aware of the legislation that was introduced by the Sectional Titles Schemes Management Act on 7 October 2016. This legislation requires that the body corporate maintain a reserve fund of not less than 25% of the previous year's operational levies. In order to achieve this, the trustees will include an adjustment in the budgets for 2025 and 2026 to comply with Regulation 2(a) and 2(c).

The external auditors are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the board of trustees and were signed on its behalf by:

Approval of annual financial statements



Trustee



Trustee

Date: 28 June 2024

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Trustees' Report

The trustees submit their report for the year ended 29 February 2024.

1. Review of activities

Main business and operations

The body corporate is engaged in governing the property and operates principally in South Africa.

The controlling body was established to administer the common property of the Sectional Scheme known as Pezula Hotel, situated at Lagoon Drive, Sparrebosch, Knysna, for which a Sectional Title Register was opened.

All expenses applicable to the common property and administration are recovered from the various section owners by means of a monthly levy in terms of the rules of the body corporate and are in accordance with the participation quota applicable to each section.

2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

3. Contributions

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 86,140 (2023: R 260,457).

4. Trustees

The trustees of the body corporate during the year and to the date of this report are as follows:

Name

M Bellini

M Brink

W Kilbourn

E Marshing

5. Managing Agent

The managing agent of the body corporate is Sandak-Lewin Trust (Property Management) (Pty) Ltd of:

Business address

64 Roeland Square
Cnr Roeland Street & Drury Lane
Gardens
Cape Town
8001

Postal address

PO Box 2624
Cape Town
8000

6. Management and conduct rules

There were no amendments or additions to the management and conduct rules.

7. Estimates of income and expenditure for the 2025 financial year

A budget for the next financial year will be presented for approval at the forthcoming annual general meeting.

8. Insured replacement values

A schedule of the replacement values of all the units will be tabled for approval at the forthcoming annual general meeting.

9. Auditors

Cecil Kilpin & Co was the auditor for the year under review and their re-appointment is dependent on a resolution taken to that effect by the section owners at the forthcoming annual general meeting.

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Statement of Financial Position as at 29 February 2024

	Note(s)	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2	23,275
Current Assets			
Trade and other receivables	3	1,891,437	1,257,725
Cash and cash equivalents	4	1,783,845	2,102,711
		3,675,282	3,360,436
Total Assets		3,675,284	3,383,711
Equity and Liabilities			
Owners' funds and reserves			
Accumulated surplus		899,162	900,984
Reserve fund		1,114,620	1,026,658
		2,013,782	1,927,642
Liabilities			
Current Liabilities			
Trade and other payables	5	1,614,661	1,428,001
Current tax payable		46,841	28,068
		1,661,502	1,456,069
Total Equity and Liabilities		3,675,284	3,383,711

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Statement of Comprehensive Income

	Note(s)	2024 R	2023 R
Revenue	6	5,351,234	4,395,152
Other income		4,248,634	1,178,567
Operating expenses		(9,672,861)	(5,411,847)
Operating (deficit) surplus		(72,993)	161,872
Investment revenue	11	217,130	137,028
Finance costs	12	(12,997)	(14,226)
Surplus before taxation		131,140	284,674
Taxation	13	(45,000)	(24,217)
Surplus		86,140	260,457

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Statement of Changes in Reserves

	Reserve fund	Accumulated surplus	Total owners' funds and reserves
	R	R	R
Balance at 01 March 2022	601,389	1,065,796	1,667,185
Surplus	-	260,457	260,457
Transfer between reserves	425,269	(425,269)	-
Total changes	425,269	(425,269)	-
Balance at 01 March 2023	1,026,658	900,984	1,927,642
Surplus	-	86,140	86,140
Transfer between reserves	87,962	(87,962)	-
Total changes	87,962	(87,962)	-
Balance at 29 February 2024	1,114,620	899,162	2,013,782

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Statement of Cash Flows

	Note(s)	2024 R	2023 R
Cash flows from operating activities			
Cash (used in) generated from operations	14	(496,772)	692,658
Interest income		217,130	137,028
Finance costs		(12,997)	(14,226)
Tax paid		(26,227)	(70)
Net cash from operating activities		(318,866)	815,390
Total cash movement for the year			
Cash at the beginning of the year		2,102,711	1,287,321
Total cash at end of the year	4	1,783,845	2,102,711

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the body corporate holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the body corporate and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the body corporate.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	4 years
Compressors	Straight line	4 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.2 Financial instruments

Trade and other receivables, loans and trade and other payables

Trade and other receivables, loans and trade and other payables are measured at cost less any impairment. At the end of 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 so, an impairment loss is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

In terms of the Sectional Titles Schemes Management Act a reserve fund is maintained for the purposes of future maintenance and repairs to common property.

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Accounting Policies

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax expenses

The body corporate is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, levy income and recoveries are fully exempt. All other income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less a portion of deductible administrative expenses.

1.4 Share capital and equity

1.5 Provisions and contingencies

Provisions are recognised when the body corporate has an obligation at the reporting date as a result of a past event; it is probable that the body corporate will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.6 Revenue

The ordinary levies are accounted for on a straight-line basis over the financial year and divided amongst the section owners on a participation quota basis. The annual ordinary levies are agreed and approved by the members at the body corporate's annual general meeting.

Levies have been accounted for on the accrual basis and therefore includes outstanding amounts owing by the owners.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
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2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	187,500	(187,499)	1	187,500	(172,458)	15,042
Compressors	20,800	(20,799)	1	20,800	(12,567)	8,233
Total	208,300	(208,298)	2	208,300	(185,025)	23,275

Reconciliation of property, plant and equipment - 2024

	Opening balance	Depreciation	Closing balance
Motor vehicles	15,042	(15,041)	1
Compressors	8,233	(8,232)	1
	23,275	(23,273)	2

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
Motor vehicles	61,917	(46,875)	15,042
Compressors	13,433	(5,200)	8,233
	75,350	(52,075)	23,275

3. Trade and other receivables

Levies in arrears	919,508	354,116
VAT	408,258	138,569
Debtors for recoveries due	337,970	325,638
Other receivable	225,701	439,402
	1,891,437	1,257,725

Ageing of levies

	2024				2023	
	Current	30 days	60 days	90 days +	Total	Total
Levies in arrears	39,470	20,324	701,797	157,917	919,508	354,116

The detailed age analysis of levies in arrears is available for inspection at the registered office of the body corporate.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Administrative Fund - Nedbank 9020683088	669,225	1,076,053
Reserve Fund - Nedbank 9020683135	1,114,620	1,026,658
	1,783,845	2,102,711

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Notes to the Annual Financial Statements

	2024 R	2023 R			
4. Cash and cash equivalents (continued)					
Reconciliation of Reserve Fund					
Major capital items	Amount in the reserve at year end	Estimated total cost for 10 years	Percentage saved	Surplus (Deficit)	
Aluminium doors and windows	70,467	432,248	16.30 %	(361,781)	
Drain and water pumps	18,791	115,266	16.30 %	(96,475)	
Electrical and lighting	65,443	401,426	16.30 %	(335,983)	
External and internal painting	667,032	4,091,595	16.30 %	(3,424,563)	
Fences	11,198	68,687	16.30 %	(57,489)	
Fireplaces	39,935	244,964	16.30 %	(205,029)	
Flooring	37,582	230,532	16.30 %	(192,950)	
Forecourt	82,694	507,247	16.30 %	(424,553)	
Paving	6,264	38,422	16.30 %	(32,158)	
Ponds	43,846	268,954	16.30 %	(225,108)	
Swimming pool and heat pumps	37,582	230,532	16.30 %	(192,950)	
Water and waste reticulation	33,786	207,247	16.30 %	(173,461)	
	1,114,620	6,837,120		(5,722,500)	
5. Trade and other payables					
Accrued expenses		1,519,840		945,928	
Levies received in advance		94,821		482,073	
		1,614,661		1,428,001	
Accrued expenses - age analysis by creditor					
	2024				2023
	Current	30 days	60 days	90 days +	Total
Asset Fire Protection	-	-	-	65,788	65,788
Cecil Kilpin & Co.	20,269	-	-	-	20,269
Crawford Dougall	-	-	-	-	58,597
CSOS	5,183	-	-	-	5,183
Knysna Municipality	413,116	318,203	-	-	731,319
Pezula Resort Hotel and Spa	697,281	-	-	-	697,281
Piets Putty's Glazing	-	-	-	-	144,025
Total	1,135,849	318,203	-	65,788	1,519,840
6. Revenue					
Administrative fund levies				3,916,205	3,361,079
Reserve fund levies				1,403,930	1,008,473
CSOS levies				31,099	25,600
				5,351,234	4,395,152
7. Auditor's remuneration					
Fees				16,675	17,385
Adjustment for previous year				-	(2,254)
				16,675	15,131

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Annual Financial Statements for the year ended 29 February 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
8. Insurance policy details		
Insurance company	Lombard Insurance Company Limited	
Policy Number	LOM0000-27505	
Expiry date	2024/06/30	
Payment basis	Monthly	
Building sum insured	R520,065,295	
Public liability sum insured	R50,000,000	
Fidelity cover sum insured	R4,000,000	
Trustees indemnity sum insured	R5,000,000	
9. Repairs and maintenance - Administrative Fund		
Doors and windows	6,000	313,100
Electrical	43,129	18,760
Fencing	2,300	-
Fire equipment	11,967	534,177
Gardening	86,314	74,779
General	9,600	89,309
Generator	2,247	3,038
Irrigation	7,747	2,838
Meter installation	26,626	191,660
Painting	8,400	8,898
Paving	3,710	539
Plumbing	72,653	89,197
Pool	91,612	65,931
Remotes, locks and keys	1,190	235
Repair materials	-	1,809
Roof	780	-
Rubble removal	27,662	5,740
Security and access control	24,215	20,193
Special projects	276,228	45,042
Waterproofing	542	-
Insurance claims	(49,740)	-
	653,182	1,465,245
10. Repairs and maintenance - Reserve Fund		
Electrical	211,103	-
Fire equipment	788,564	-
Garden repairs	2,675	-
General building	286,900	-
Irrigation	-	5,473
Plumbing	4,046	-
Roof	290,112	-
Special projects	87,907	-
Waterproofing	40,885	-
	1,712,192	5,473
11. Investment revenue		
Interest revenue		
Bank	121,324	72,984
Overdue owners' accounts	95,806	64,044
	217,130	137,028

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Annual Financial Statements for the year ended 29 February 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
12. Finance costs		
Late payment of tax	715	14,226
Interest paid - Knysna Municipality	12,282	-
	<u>12,997</u>	<u>14,226</u>
13. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	45,000	24,217
	<u>45,000</u>	<u>24,217</u>
<p>The body corporate is subject to tax at the company rate of 27% on the net investment income, in excess of R 50,000, in terms of Section 10(1)(e) of the Income Tax Act.</p>		
14. Cash (used in) generated from operations		
Surplus before taxation	131,140	284,674
Adjustments for:		
Depreciation and amortisation	23,273	52,075
Interest received	(217,130)	(137,028)
Finance costs	12,997	14,226
Changes in working capital:		
Trade and other receivables	(633,712)	(830,846)
Trade and other payables	186,660	1,309,557
	<u>(496,772)</u>	<u>692,658</u>

The Body Corporate of Pezula Hotel

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Annual Financial Statements for the year ended 29 February 2024

Detailed Income Statement

	Note(s)	2024 R	2023 R
Revenue			
Administrative fund levies		3,916,205	3,361,079
Reserve fund levies		1,403,930	1,008,473
CSOS levies		31,099	25,600
	6	5,351,234	4,395,152
Other income			
Long outstanding amount written off		42,395	-
Recoveries		4,206,239	1,178,567
		4,248,634	1,178,567
Operating expenses			
Accounting fees		2,739	2,055
Auditors remuneration	7	16,675	15,131
Bank charges		7,859	7,727
CSOS levies		31,099	25,600
Cleaning		35,792	28,776
Depreciation		23,273	52,075
Electricity		3,187,559	875,971
Electronic communication		3,427	3,411
Employee costs		754,134	666,726
Fuel		15,837	32,516
Garden contract		720,233	664,312
General expenses		6,209	1,213
Generator		12,900	21,503
Insurance	8	607,227	488,963
Internet services		3,904	-
Management fees - Sandak-Lewin Property Trust		102,489	108,160
Management fees- Pezula Hotel Resort and Spa		187,826	135,235
Meter reading		39,949	2,656
Motor vehicle expenses		30,000	59,060
Printing and stationery		18	255
Professional fees		19,359	-
Refuse		36,022	11,546
Repairs and maintenance - Administrative Fund	9	653,182	1,465,245
Repairs and maintenance - Reserve Fund	10	1,712,192	5,473
Security		222,319	213,426
Sewerage		334,420	107,669
Tax returns		1,500	-
Travel - local		4,950	-
Water		899,768	417,143
		9,672,861	5,411,847
Operating (deficit) surplus			
		(72,993)	161,872
Investment income	11	217,130	137,028
Finance costs	12	(12,997)	(14,226)
		204,133	122,802
Surplus before taxation			
		131,140	284,674
Taxation	13	(45,000)	(24,217)
Surplus		86,140	260,457