THE BODY CORPORATE OF PEZULA HOTEL
(Scheme number SS 598/2004)
Annual Financial Statements
for the year ended 28 February 2025

Index

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

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 and the requirements of the Sectional Titles Schemes Management Act (Act 8 of 2011).

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 budget forecast and levy schedule for the year to 28 February 2026 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 (Act 8 of 2011) on 7 October 2016. This legislation requires that the body corporate, in terms of section 3(1)(b), establish and maintain a reserve fund in such amounts as are reasonably sufficient to cover the cost of future maintenance and repair of common property, but not less than such amounts as may be prescribed by the Minister.

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 5 to 7.

The annual financial statements set out on pages 3 to 17, which have been prepared on the going concern basis, were approved by the trustees and were signed on their behalf by:

Approval of annual financial statements

Trustee	**Trustee**

Date: 01/08/2025

Trustees' Report

The trustees submit their report for the year ended 28 February 2025.

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 material event which occurred after the reporting date and up to the date of this report.

3. Contributions

Contributions paid by sections owners and interest earned during the year were insufficient to meet expenditure, resulting in a levy deficit of R(183,198) (2024: R86,140).

4. Trustees

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

Name
M Brink
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. CSOS compliance

	2025 R	2024 R
CSOS levies		
Opening balance	(5,183)	(4,760)
CSOS levies received	(33,910)	(31,099)
CSOS levies paid	33,377	30,676
Closing balance	**(5,716)**	**(5,183)**

The trustees confirm that the annual return of the community scheme as required by section 59(b) of the Community Schemes Ombud Service Act, No. 9 of 2011 was submitted within the stipulated deadline of four months subsequent to year end for the previous financial year ending 29 February 2024.

Trustees' Report

7. Management and conduct rules

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

8. Estimates of income and expenditure for the 2026 financial year

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

9. Insured replacement values

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

10. 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.

Independent Auditor's Report

To the Members of The Body Corporate of Pezula Hotel

Report on the Audit of the Annual Financial Statements

Qualified Opinion

We have audited the annual financial statements of The Body Corporate of Pezula Hotel (the body corporate) set out on pages 8 to 17, which comprise the statement of financial position as at 28 February 2025; and the statement of comprehensive income; the statement of changes in reserves; and the statement of cash flows for the year then ended; and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements of The Body Corporate of Pezula Hotel for the year ended 28 February 2025 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 (Act 8 of 2011).

Basis for Qualified Opinion

We are unable to express an opinion on the existence and valuation of VAT receivable for the amount of R 269,220 (disclosed uner Note 3 Trade and Other Receivables in the Notes to the Annual FInancial Statements) as management are unable to provide us with supporting documentation for this amount.

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 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 qualified 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.

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA
TAX: E CONRADIE B.COMPT (HONS), PG.DIP (TAX) | VREDENBURG BRANCH: J DE NOBREGA BAcc
1 Waterford Mews, Century Boulevard, Century City, 7441 PO Box 74, Century City, 7446 Docex 21, Century City
Tel: 021 527 4060 Email: info@cecilkilpin.co.za Website: www.cecilkilpin.co.za

Independent Auditor's Report

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 28 February 2025", which includes the Trustees' Report as required by the Sectional Titles Schemes Management Act (Act 8 of 2011) and the supplementary information as set out on page 18. 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. As described in the Basis for Qualified Opinion section above, [insert description of matter]. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the [insert description of other information that is misstated] affected by this matter.

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 (Act 8 of 2011), 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.

Independent Auditor's Report

- 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.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 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 24(1) as the Administrative Fund was used to fund items on the maintenance, repair and replacement plan;
- Rule 26(4) as the prior year annual financial statements were not presented at the AGM within 4 months after the financial year end.

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: 19/4/2025

Statement of Financial Position as at 28 February 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2	2
Current Assets			
Trade and other receivables	3	1,190,437	1,891,437
Cash and cash equivalents	4	2,075,235	1,783,845
		3,265,672	**3,675,282**
Total Assets		**3,265,674**	**3,675,284**
Reserves and Liabilities			
Owners' funds and reserves			
Reserves		1,314,800	1,114,620
Accumulated surplus		515,785	899,163
		1,830,585	**2,013,783**
Liabilities			
Current Liabilities			
Trade and other payables	5	1,350,372	1,614,660
Current tax payable		84,717	46,841
		1,435,089	**1,661,501**
Total Reserves and Liabilities		**3,265,674**	**3,675,284**

Statement of Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	6	5,738,996	5,351,234
Other income		5,562,708	4,248,634
Operating expenses		(11,618,139)	(9,672,861)
Operating deficit		**(316,435)**	**(72,993)**
Investment revenue	11	188,193	217,130
Finance costs	12	(17,738)	(12,997)
(Deficit) surplus before taxation		**(145,980)**	**131,140**
Taxation	13	(37,218)	(45,000)
(Deficit) surplus for the year		**(183,198)**	**86,140**

Statement of Changes in Reserves

	Reserve fund R	Accumulated surplus R	Total owners' funds and reserves R
Balance at 01 March 2023	**1,026,658**	**900,985**	**1,927,643**
Surplus for the year	**-**	**86,140**	**86,140**
Transfer between reserves	87,962	(87,962)	-
Total changes	**87,962**	**(87,962)**	**-**
Balance at 01 March 2024	**1,114,620**	**899,163**	**2,013,783**
Deficit for the year	**-**	**(183,198)**	**(183,198)**
Transfer between reserves	200,180	(200,180)	-
Total changes	**200,180**	**(200,180)**	**-**
Balance at 28 February 2025	**1,314,800**	**515,785**	**1,830,585**

Statement of Cash Flows

	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Cash receipts from customers		12,002,704	8,966,155
Cash paid to suppliers and employees		(11,882,427)	(9,462,927)
Cash generated from (used in) operations	14	120,277	(496,772)
Interest income		188,193	217,130
Finance costs		(17,738)	(12,997)
Tax received (paid)		658	(26,227)
Net cash from operating activities		**291,390**	**(318,866)**
Total cash movement for the year		**291,390**	**(318,866)**
Cash and cash equivalents at the beginning of the year		1,783,845	2,102,711
Total cash at end of the year	4	**2,075,235**	**1,783,845**

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 comprises of 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 (Act 8 of 2011) a reserve fund is maintained for the purposes of future maintenance and repairs to common property.

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 Impairment of assets

The body corporate assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the body corporate estimates the recoverable amount of the asset.

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.

Notes to the Annual Financial Statements

	2025 R	2024 R

2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Motor vehicles	187,500	(187,499)	1	187,500	(187,499)	1
Compressors	20,800	(20,799)	1	20,800	(20,799)	1
Total	**208,300**	**(208,298)**	**2**	**208,300**	**(208,298)**	**2**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Closing balance
Motor vehicles	1	1
Compressors	1	1
	2	2

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**

3. Trade and other receivables

	2025	2024
Levies in arrears	855,429	919,508
VAT	269,220	408,258
Debtors for recoveries due	-	337,970
Other receivable	65,788	225,701
	1,190,437	**1,891,437**

Ageing of levies in arrears

	2025					2024
	Current	30 days	60 days	90 days +	Total	Total
Levies in arrears	383,193	48,079	48,036	376,121	855,429	919,508

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:

	2025	2024
Administrative Fund - Nedbank 9020683088	760,435	669,225
Reserve Fund - Nedbank 9020683135	1,314,800	1,114,620
	2,075,235	**1,783,845**

Notes to the Annual Financial Statements

	2025 R	2024 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	205,333	819,796	25.05 %	(614,463)
Basement	195,456	780,364	25.05 %	(584,908)
Electrical and lighting	187,058	746,835	25.05 %	(559,777)
External and internal painting	327,543	1,307,722	25.05 %	(980,179)
Flooring	51,909	207,248	25.05 %	(155,339)
Lift	151,401	604,471	25.05 %	(453,070)
Paving	23,071	92,110	25.05 %	(69,039)
Water and waste reticulation	173,029	690,823	25.05 %	(517,794)
	1,314,800	**5,249,369**		**(3,934,569)**

5. Trade and other payables

	2025	2024
Accrued expenses	721,926	1,519,840
Levies received in advance	546,483	94,820
Insurance claims control account	70,805	-
Unallocated receipts	11,158	-
	1,350,372	**1,614,660**

Accrued expenses - age analysis by creditor

	2025					2024
	Current	30 days	60 days	90 days +	Total	Total
Asset Fire Protection	-	-	-	-	-	65,788
Cecil Kilpin & Co.	22,224	-	-	-	22,224	20,269
CSOS	5,716	-	-	-	5,716	5,183
Knysna Municipality	357,503	-	-	-	357,503	731,319
Pezula Resort Hotel and Spa	333,407	-	-	-	333,407	697,281
Securitex cc	3,076	-	-	-	3,076	-
Total	**721,926**	**-**	**-**	**-**	**721,926**	**1,519,840**

6. Revenue

	2025	2024
Administrative fund levies	4,199,582	3,916,205
Reserve fund levies	1,505,504	1,403,930
CSOS levies	33,910	31,099
	5,738,996	**5,351,234**

7. Auditor's remuneration

	2025	2024
Fees	20,700	16,675
Adjustment for previous year	(2,144)	-
	18,556	**16,675**

Notes to the Annual Financial Statements

	2025 R	2024 R

8. Insurance policy details

Insurance company	Bryte Insurance Company Limited
Policy Number	BS49546
Expiry date	2025/06/30
Payment basis	Monthly
Building sum insured	R 413,806,232
Public liability sum insured	R 50,000,000
Fidelity cover sum insured	R 100,000
Trustees indemnity sum insured	R 10,000,000

9. Repairs and maintenance - Administrative Fund

	2025 R	2024 R
CCTV	5,180	-
Doors and windows	11,300	6,000
Electrical	30,816	43,129
Facia boards	2,324	-
Fencing	1,589	2,300
Fire equipment	-	11,967
Gardening	121,629	86,314
General	-	9,600
Generator	13,007	2,247
Irrigation	33,332	7,747
Meter installation	25,539	26,626
Painting	11,068	8,400
Paving	-	3,710
Plumbing	109,454	72,653
Pool	79,453	91,612
Remotes, locks and keys	356	1,190
Repair materials	41,521	-
Roof	-	780
Rubble removal	14,240	27,662
Security and access control	28,525	24,215
Special projects	611,937	276,228
Waterproofing	2,016	542
Insurance claims	-	(49,740)
	1,143,286	**653,182**

10. Repairs and maintenance - Reserve Fund

	2025 R	2024 R
Doors and windows	127,050	-
Electrical	223,631	211,103
Facia boards	7,636	-
Fire equipment	4,779	788,564
Garden repairs	-	2,675
General building	447,542	286,900
Irrigation	74,314	-
Plumbing	74,963	4,046
Roof	-	290,112
Special projects	129,150	87,907
Waterproofing	1,853	40,885
	1,090,918	**1,712,192**

Notes to the Annual Financial Statements

	2025 R	2024 R
11. Investment revenue		
Interest revenue		
Bank	114,383	121,324
Overdue owners' accounts	73,810	95,806
	188,193	**217,130**
12. Finance costs		
Late payment of tax	7,043	715
Interest paid - Knysna Municipality	10,695	12,282
	17,738	**12,997**
13. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	37,218	45,000

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.

	2025 R	2024 R
14. Cash generated from (used in) operations		
Net (deficit) surplus before taxation	(145,980)	131,140
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	-	23,273
Investment income	(188,193)	(217,130)
Finance costs	17,738	12,997
Changes in working capital:		
(Increase) decrease in trade and other receivables	701,000	(633,712)
Increase (decrease) in trade and other payables	(264,288)	186,660
	120,277	**(496,772)**

Detailed Income Statement

	Note(s)	2025 R	2024 R
Revenue			
Administrative fund levies		4,199,582	3,916,205
Reserve fund levies		1,505,504	1,403,930
CSOS levies		33,910	31,099
	6	**5,738,996**	**5,351,234**
Other income			
Long outstanding amount written off		-	42,395
Recoveries		5,562,708	4,206,239
		5,562,708	**4,248,634**
Operating expenses			
Accounting fees		3,024	2,739
Auditors remuneration	7	18,556	16,675
Bank charges		7,467	7,859
CSOS levies		33,910	31,099
Cleaning		39,925	35,792
Depreciation		-	23,273
Electricity		4,325,429	3,187,559
Electronic communication		4,707	3,427
Employee costs - Pezula Hotel Resort and Spa		1,234,026	754,134
Fuel and oil		10,942	15,837
Garden contracts		882,862	720,233
General expenses		9,765	6,209
Generator		102,723	12,900
Insurance	8	491,382	607,227
Internet services		-	3,904
Management fees - Pezula Hotel Resort and Spa		197,848	187,826
Management fees - Sandak-Lewin Property Trust		117,676	102,489
Meter reading		38,419	39,949
Motor vehicle expenses		30,000	30,000
Printing and stationery		743	18
Professional fees		1,000	19,359
Refuse		39,407	36,022
Repairs and maintenance - Administrative Fund	9	1,143,286	653,182
Repairs and maintenance - Reserve Fund	10	1,090,918	1,712,192
Security		235,302	222,319
Sewerage		353,505	334,420
Tax returns		1,500	1,500
Travel - local		-	4,950
Water		1,203,817	899,768
		11,618,139	**9,672,861**
Operating deficit		**(316,435)**	**(72,993)**
Investment income	11	188,193	217,130
Finance costs	12	(17,738)	(12,997)
		170,455	**204,133**
(Deficit) surplus before taxation		**(145,980)**	**131,140**
Taxation	13	(37,218)	(45,000)
(Deficit) surplus for the year		**(183,198)**	**86,140**

The supplementary information presented does not form part of the annual financial statements and is unaudited