Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements

for the year ended 30 April 2022

Audited Financial Statements

In compliance with Sectional Title Schemes Management Act, 2011, the Sectional Title Schemes Management Regulations, 2016 and the Management Rules

Prepared by: Francois Gourel-Rivalland

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

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Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)
Annual Financial Statements for the year ended 30 April 2022

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Management and administration of the common property
Trustees	J. Knight JCL D Freitas K Pillay M. Seolall M. Mogotsi
Independent Auditors	Douglas Dix - Peek & Co.
Managing Agents	OTR Management Services
Sectional Scheme Number	SS446/2005
Income Tax Registration Number	9033826240

Independent Auditor's Report

To the Members of Bakersfield Body Corporate

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bakersfield Body Corporate set out on pages 8 to 15, which comprise the statement of financial position as at 30 April 2022, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bakersfield Body Corporate as at 30 April 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Sectional Title Schemes Management Act, 2011, the Sectional Title Schemes Management Regulations, 2016 and the Management Rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Bakersfield Body Corporate Annual Financial Statements for the year ended 30 April 2022", which includes the Report of the Trustees as required by the Sectional Title Schemes Management Act, 2011, the Sectional Title Schemes Management Regulations, 2016 and the Management Rules, and the supplementary information set out on page 16. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Sectional Title Schemes Management Act, 2011, the Sectional Title Schemes Management Regulations, 2016 and the Management Rules, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud 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 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 financial statements, including the disclosures, and whether the 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 as adopted 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 Titles Schemes Management Regulations, 2016, including the implementation of systems, processes and internal control the trustees determine are necessary in the circumstances.

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, we are required to report our findings. We have nothing to report in this regard.

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

In terms of relevant International Standards applicable to audit, review and other assurance engagements we were unable to conduct an 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 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.

Douglas Dix - Peek & Co.
Director / Partner
Registered Auditor

Report of the Compiler

To the Trustees and Section Owners of Bakersfield Body Corporate

We have compiled the accompanying financial statements of Bakersfield Body Corporate based on information you have provided. These financial statements comprise the statement of financial position of Bakersfield Body Corporate as at 30 April 2022, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small- and Medium-sized Entities (IFRS for SMEs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SMEs.

Francois Gourel-Rivalland
Associate General Accountant (SA)
29 September 2022

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations of the body corporate, and explain the transactions and financial position of the business of the body corporate at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the body corporate and supported by reasonable and prudent judgements 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 board 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 corporates 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustees have no reason to believe that the body corporate will not be a going concern in the foreseeable future. The financial statements support the viability of the body corporate.

The financial statements have been audited by the independent auditing firm, Douglas Dix - Peek & Co., who have been given unrestricted access to all financial records and related data. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 2 to 4.

The annual financial statements as set out on pages 8 to 15 were approved by the trustees on 29 September 2022 and were signed on its behalf by:

Trustee

Trustee

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)
Annual Financial Statements for the year ended 30 April 2022

Trustees' Report

The Trustees present their report for the year ended 30 April 2022.

1. Review of activities

Main business and operations
The principal activity of the body corporate is management and administration of the common property and there were no major changes herein during the year.

The operating results and statement of financial position of the body corporate are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The trustees are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the body corporate.

4. Trustees' interest in contracts

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

5. Trustees

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

J. Knight
JCL D Freitas
K Pillay
M. Seolall
M. Mogotsi

6. Managing Agents

The body corporate's designated managing agent is OTR Management Services.

7. Independent Auditors

Douglas Dix - Peek & Co. were the independent auditors for the year under review and their re-appointment depends on a resolution taken to that effect by section owners at the forthcoming annual general meeting.

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Current Assets			
Levies in arrears	3	52,455	64,057
Trade and other receivables	4	176,341	176,341
Cash and cash equivalents	5	708,773	608,049
		937,569	**848,447**
Total Assets		**937,569**	**848,447**
Reserves and Liabilities			
Reserves and Funds			
Reserve fund	6	162,943	-
Administrative fund		676,076	664,960
		839,019	**664,960**
Current Liabilities			
Trade and other payables	7	12,015	100,664
Owners deposits	8	31,004	31,004
Levies in advance	9	55,531	51,819
		98,550	**183,487**
Total Funds and Liabilities		**937,569**	**848,447**

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

Statement of Comprehensive Income

Figures in R	2022	2021
Levy income	693,935	640,744
Other income	-	4,539
Operating costs	(536,246)	(625,303)
Operating surplus	**157,689**	**19,980**
Finance income	16,120	18,229
Finance costs	250	(10,962)
Surplus from continuing operations	**174,059**	**27,247**
Transfer to reserve fund	(162,943)	-
Surplus for the year	**11,116**	**27,247**

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

Statement of Changes in Funds and Reserves

Figures in R	Reserve fund	Administrative fund	Total
Balance at 1 May 2020	-	637,713	637,713
Total comprehensive income for the year			
Surplus for the year		27,247	27,247
Total comprehensive income for the year	-	27,247	27,247
Balance at 30 April 2021	**-**	**664,960**	**664,960**
Balance at 1 May 2021	-	664,960	664,960
Total comprehensive income for the year			
Surplus for the year		11,116	11,116
Total comprehensive income for the year	-	11,116	11,116
Transfer	162,943		162,943
Balance at 30 April 2022	**162,943**	**676,076**	**839,019**
Note	6		

Bakersfield Body Corporate

(Sectional Scheme Number SS446/2005)

Annual Financial Statements for the year ended 30 April 2022

Statement of Cash Flows

Figures in R		2022	2021
Cash flows from operating activities			
Surplus for the year		11,116	27,247
Adjustments for:			
Finance costs		(250)	10,962
Investment income		(16,120)	(18,229)
Transfer to reserve fund		162,943	-
Operating cash flow before working capital changes		157,689	19,980
Working capital changes			
Decrease / (increase) in levies receivable		15,314	(52,329)
Increase in trade and other receivables		-	-
(Decrease) / increase in trade and other payables		(88,649)	64,113
Net cash flows from operations		84,354	31,764
Investment income		16,120	18,229
Finance costs		250	(10,962)
Net cash flows from operating activities		**100,724**	**39,031**
Net increase in cash and cash equivalents		100,724	39,031
Cash and cash equivalents at beginning of the year		608,049	569,018
Cash and cash equivalents at end of the year	5	**708,773**	**608,049**

Bakersfield Body Corporate

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Annual Financial Statements for the year ended 30 April 2022

Accounting Policies

1. General information

Bakersfield Body Corporate is a body corporate sectional title scheme in South Africa. The principal activities are Management and administration of the common property.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board and the requirements of the Sectional Title Schemes Management Act, 2011, the Sectional Title Schemes Management Regulations, 2016 and the Management Rules. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

The ordinary levies receivable are accounted for on a straight-line basis over the financial year and decided amongst the trustees on a participation quota basis. The annual ordinary levies are agreed and approved by the trustees at the body corporate's annual general meeting. Interest is recognised, in surplus or deficit, using the effective interest rate method. Interest on arrear levy contributions is recognised in terms of prescribed management rule 21(3)(c).

2.1.1 Interest income

Interest income is recognised using the effective interest rate method.

2.2 Income taxes

Provisions for tax are made at the corporation rate on net investment income earned by the body corporate, less allowable expenses applicable to bodies corporate. The body corporate is taxed in terms of Section 10(1)(e) of the Income Tax Act and Interpretation Note 64.

2.3 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the body corporate will not be able to collect all amounts due according to the original terms of the receivables.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.5 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

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Annual Financial Statements for the year ended 30 April 2022

Notes to the Annual Financial Statements

Figures in R	2022	2021

3. Levies in arrears

Member	90 Days+	60 Days	30 Days	Current	Total	Prior year
BF01	-	-	-	330	330	
BF08	23,989	4,609	5,439	5,435	39,472	
BF16	-	-	-	1,897	1,897	
BF18	-	-	-	2,958	2,958	
BF21	-	-	-	2,522	2,522	
BF27B	-	3,274	-	-	3,274	
BF30	-	-	-	2,000	2,000	
Total	23,989	7,884	5,439	15,143	52,455	64,057

4. Trade and other receivables

Deposits	49,600	49,600
CSTM	126,741	126,741
	176,341	176,341

5. Cash and cash equivalents

Favourable cash balances		
First National Bank - current accounts	150,717	85,970
First National Bank - 62895650432	197,870	-
First National Bank - 74903654420	360,186	-
Projects and maintenance fund	-	199,544
Formal Reserve Fund	-	322,535
Total	708,773	608,049

6. Reserve fund

Administrative fund		
Balance at 1 May	-	-
Transfer to Reserve fund	162,943	-
Balance at 30 June	162,943	-

Notes to the Annual Financial Statements

Figures in R	2022	2021

7. Trade and other payables

Trade creditors	12,015	100,664

Creditor aging

Creditor name	90 Days+	60 Days	30 Days	Current	Total	Prior year
Audit fees	-	-	-	8,000	8,000	7,685
Community Scheme Ombud Service Levy	-	-	-	4,015	4,015	574
Midcity Property Management (Pty) Limited	-	-	-	-	-	28,742
City of Johannesburg	-	-	-	-	-	63,663
Total	-	-	-	12,015	12,015	100,664

8. Owners deposits

Owners deposits	31,004	31,004

9. Levies in advance

Member	90 Days+	60 Days	30 Days	Current	Total	Prior year
BF04	-	-	-	4,639	4,639	
BF05	-	-	-	4,758	4,758	
BF06	-	-	-	546	546	
BF07	-	-	-	3,604	3,604	
BF10	-	-	-	2,739	2,739	
BF12	-	-	-	3,415	3,415	
BF14	-	-	-	2,990	2,990	
BF15	-	-	-	2,804	2,804	
BF17	-	-	-	3,028	3,028	
BF19	-	-	-	2,473	2,473	
BF22	-	-	-	2,543	2,543	
BF23	-	-	-	4,128	4,128	
BF24	-	-	-	3,814	3,814	
BF25	-	-	-	2,997	2,997	
BF27	-	-	-	2,033	2,033	
BF28	-	-	-	3,304	3,304	
BF29	-	-	-	2,517	2,517	
BK03	-	-	-	3,200	3,200	
Total	-	-	-	55,531	55,531	51,819

10. Income tax expense

No provision has been made for the 2022 income tax as the Body Corporate has no investment income exceeding R50,000 in terms of section 10(1)(e) of the Income Tax Act.

Notes to the Annual Financial Statements

Figures in R	2022	2021

11. Comparative figures

Certain comparative figures have been reclassified, due to the change in software used in drafting the financial statements for the year under review.

12. Insurance policies

Insurance policy details

The body corporate holds the following insurance policies with expiry dates as set out below:

Underwriter	Description of cover	Expiry date
Commercial and Industrial Acceptances (Pty) Limited	Community Living Insurance	30 June 2023
	Fidelity and Computer Crime	30 June 2023

Compass Insurance Company Limited

Policy number	CIA 057-002
Period of cover	Monthly
Policy expiry date	30 June 2023
Payment basis	Monthly
Sum insured	R 66,740,506
Amounts paid	R 64,353

13. Repairs and maintenance

Electrical	-	2,734
Fence and wall	-	56,948
Fire equipment	2,750	574
Gates	-	1,553
Maintenance general	5,304	127,543
Maintenance inspection	2,270	-
Plumbing	21,178	12,910
Roof repairs	4,329	-
Security	-	9,982
Toilet hire	8,422	7,871
Total	44,253	220,115

Bakersfield Body Corporate

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Detailed Income Statement

Figures in R	Notes	2022	2021
Levy Income			
Community Scheme Ombuds Service Levies		6,882	6,730
Reserve fund		162,943	117,492
Ordinary levies		524,110	516,522
		693,935	640,744
Other Income			
Bad debts recovered		-	4,539
Investment income		16,120	18,229
		16,120	22,768
		710,055	**663,512**
Municipal charges			
Electricity		537,330	562,384
Less: Electricity recovered from owners		(561,222)	(600,966)
Net electricity charge / (recovery)		(23,892)	(38,582)
Water		155,470	125,623
Less: Water recovered from owners		(163,507)	(174,393)
Net water charge / (recovery)		(8,037)	(48,770)
Sewerage and Domestic Effluent		194,215	181,903
Total Net municipal charges		162,286	94,551
Expenditure			
Auditors' remuneration		8,000	7,685
Bank charges		11,445	11,777
Cleaning		1,500	-
Clearance refunds		10,119	-
Communication		4,839	-
Community Scheme Ombud Service Levy		6,882	8,470
Finance costs		(250)	10,962
Garden maintenance		70,013	80,671
Insurance	12	63,453	86,130
Legal expense		13,614	18,984
Management fees		56,300	49,100
Meter reading		6,793	13,494
Printing and stationery		691	410
Repairs and maintenance	13	44,253	220,115
Salaries		36,000	-
Secretarial fees		-	5,834
Security		40,058	28,082
		535,996	636,265
Surplus After Taxation		**174,059**	**27,247**
Transfer to reserve fund		(162,943)	-
Net Surplus		**11,116**	**27,247**