



**THE ELISENHEIM OWNERS ASSOCIATION
(NON PROFIT ASSOCIATION INCORPORATED UNDER SECTION 21)**

(REGISTRATION NUMBER 21/2012/0112)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

THE ELISENHEIM OWNERS ASSOCIATION
(REGISTRATION NUMBER 21/2012/0112)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

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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 owners association 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 Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities. The external auditor's are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the owners association and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees set 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. The focus of risk management in the owners association is on identifying, assessing, managing and monitoring all known forms of risk across the owners association. While operating risk cannot be fully eliminated, the owners association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 owners association's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, they are satisfied that the owners association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the owners association's annual financial statements. The annual financial statements have been examined by the owners association's external auditor's and their report is presented on page 3.

The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the board of trustees on 15 April 2019 and were signed on its behalf by:

Approval of financial statements

Trustee

15 April 2019

Trustee

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ELISENHEIM OWNERS ASSOCIATION

We have audited the annual financial statements of The Elisenheim Owners Association, as set out on pages 5 to 12, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The owners association's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities and the requirements of the Companies Act, No. 28 of 2004, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the owners association's preparation and fair presentation of the annual financial statements 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 owners association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Elisenheim Owners Association as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities, and the requirements of the Companies Act, No. 28 of 2004.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 13 to 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Accounting and Secretarial Duties

With the written consent of all members, we have performed certain accounting and secretarial duties.

Hamilton Chartered Accountants
JC Hamilton
Registered Accountants and Auditors
Chartered Accountants (Namibia)

25 April 2019
Windhoek
136 Jan Jonker Road
Windhoek
Namibia

WINDHOEK

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THE ELISENHEIM OWNERS ASSOCIATION
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

TRUSTEES' REPORT

The trustees submit their report for the year ended 28 February 2019.

1. REVIEW OF ACTIVITIES

Main business and operations

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. TRUSTEES

The trustees of the owners association during the year and to the date of this report are as follows:

Name

H Steyn
H Van Niekerk
S Kruger
W Van Heerden
P van der Merwe

4. DOMICILIUM

The domicilium citandi et executandi of the owners association shall be EON Property Services CC of:

Business address

16 Wagner Street
Windhoek West
Windhoek
Namibia

Postal address

PO Box 310
Windhoek
Namibia

5. AUDITORS

Hamilton Chartered Accountants will continue in office for the next financial period in accordance with the Sectional Titles Act.

THE ELISENHEIM OWNERS ASSOCIATION
(REGISTRATION NUMBER 21/2012/0112)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

	Note(s)	2019 N\$	2018 N\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1,449,946	1,171,138
CURRENT ASSETS			
Trade and other receivables	3	1,133,881	868,763
Cash and cash equivalents	4	4,340,995	2,871,502
		5,474,876	3,740,265
Total Assets		6,924,822	4,911,403
EQUITY AND LIABILITIES			
OWNER'S FUNDS AND RESERVES			
Accumulated surplus		6,221,338	4,520,101
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	5	8,105	52,147
CURRENT LIABILITIES			
Trade and other payables	6	695,379	339,155
Total Liabilities		703,484	391,302
Total Equity and Liabilities		6,924,822	4,911,403

THE ELISENHEIM OWNERS ASSOCIATION
(REGISTRATION NUMBER 21/2012/0112)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2019 N\$	2018 N\$
Revenue	7	6,846,822	5,763,754
Other income		419,175	120,186
Operating expenses		(5,696,259)	(5,448,004)
Operating surplus		1,569,738	435,936
Fair value adjustments		131,499	-
Surplus for the year		1,701,237	435,936
Other comprehensive income		-	-
Total comprehensive income for the year		1,701,237	435,936

THE ELISENHEIM OWNERS ASSOCIATION
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STATEMENT OF CHANGES IN EQUITY

	Accumulated surplus N\$	Total equity N\$
Balance at 01 March 2017	4,084,165	4,084,165
Surplus for the year	435,936	435,936
Other comprehensive income	-	-
Total comprehensive income for the year	435,936	435,936
Balance at 01 March 2018	4,520,101	4,520,101
Surplus for the year	1,701,237	1,701,237
Other comprehensive income	-	-
Total comprehensive income for the year	1,701,237	1,701,237
Balance at 28 February 2019	6,221,338	6,221,338

Note(s)

THE ELISENHEIM OWNERS ASSOCIATION
(REGISTRATION NUMBER 21/2012/0112)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF CASH FLOWS

	Note(s)	2019 N\$	2018 N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,798,078	867,144
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(328,585)	(14,904)
Total cash movement for the year		1,469,493	852,240
Cash at the beginning of the year		2,871,502	2,019,262
Total cash at end of the year	4	4,340,995	2,871,502

THE ELISENHEIM OWNERS ASSOCIATION
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019
ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities, and the Companies Act, No. 28 of 2004. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	4 years
Motor vehicles	Straight line	4 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 FINANCIAL INSTRUMENTS

Financial instruments at amortised cost

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

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

1.3 IMPAIRMENT OF ASSETS

The owners association assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

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

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

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ACCOUNTING POLICIES

1.4 EQUITY

If the owners association reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in surplus or deficit on the purchase, sale, issue or cancellation of the owners association's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.5 REVENUE

Revenue is recognised to the extent that the owners association has transferred the significant risks and reward and has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the owners association. Revenue is measured at the fair value of the consideration received or receivable.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2019 N\$	2018 N\$
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2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	743,940	(199,842)	544,098	412,079	(135,019)	277,060
Motor vehicles	1,593,080	(687,232)	905,848	1,593,080	(699,002)	894,078
Total	2,337,020	(887,074)	1,449,946	2,005,159	(834,021)	1,171,138

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Plant and machinery	277,060	189,350	147,503	(69,815)	544,098
Motor vehicles	894,078	139,235	(16,003)	(111,462)	905,848
	1,171,138	328,585	131,500	(181,277)	1,449,946

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Plant and machinery	358,290	14,904	(96,134)	277,060
Motor vehicles	971,738	-	(77,660)	894,078
	1,330,028	14,904	(173,794)	1,171,138

3. TRADE AND OTHER RECEIVABLES

Levies and recoveries	1,118,881	868,763
Deposits	15,000	-
	1,133,881	868,763

A list of debtors are available at the office of the managing agent.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank Windhoek	1,062,519	1,041,077
Trustco Bank Namibia	1,802,368	530,425
Trustco Bank Namibia	1,476,108	1,300,000
	4,340,995	2,871,502

5. PROVISIONS

Reconciliation of provisions - 2019

	Opening balance	Utilised during the year	Total
EPDC Electricity Provision	52,147	(44,042)	8,105

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2019	2018
	N\$	N\$
6. TRADE AND OTHER PAYABLES		
Trade payables	373,805	121,116
Prepaid levies (Income received in advance)	321,574	218,039
	695,379	339,155
A list of creditors are available at the office of the managing agent.		
7. REVENUE		
Levies	6,846,822	5,763,754
8. CASH GENERATED FROM OPERATIONS		
Surplus before taxation	1,701,237	435,936
Adjustments for:		
Depreciation and amortisation	181,277	173,794
Surplus on sale of non-current assets and disposal groups	(131,499)	-
Movements in provisions	(44,042)	52,147
Changes in working capital:		
Trade and other receivables	(265,118)	211,616
Trade and other payables	356,224	(6,351)
	1,798,079	867,142

THE ELISENHEIM OWNERS ASSOCIATION
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DETAILED INCOME STATEMENT

	Note(s)	2019 N\$	2018 N\$
REVENUE			
Levies		6,846,822	5,763,754
OTHER INCOME			
Interest received		259,005	42,433
Penalty fees		17,100	5,200
Recovery of admin expenses - Arrear levy interest		143,070	72,553
Fair value adjustments		131,499	-
		550,674	120,186

THE ELISENHEIM OWNERS ASSOCIATION
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DETAILED INCOME STATEMENT

	Note(s)	2019 N\$	2018 N\$
OPERATING EXPENSES			
Administration and management fees		1,495,081	1,370,436
Auditors remuneration		28,106	34,248
<u>Bank service charges</u>		9,384	7,408
- Account management fee		715	441
- Cash deposit fee		-	50
- Debit order fee		330	240
- Duty		34	6
- Epac charges		4,232	2,891
- External debit order fee		1,142	1,421
- IBank admin fee		1,909	2,020
- Service fee		20	260
- Withholding tax		1,002	79
Consulting		-	480
Depreciation		181,277	173,794
Waste water treatment		291,632	319,215
Insurance		123,481	250,568
Legal expenses		-	1,070
<u>Maintenance</u>		148	43,534
- Cleaning material		148	4,214
- General maintenance		-	39,320
- Signage		-	-
- Signage: Erven numbers		-	-
Meeting fees		500	6,000
Motor vehicle expenses		23,565	10,033
Municipal expenses		180	80,000
Petrol and oil		109,055	87,373
Printing and stationery		20,164	14,503
<u>Repairs</u>		97,284	288,592
- Blocked drain		7,705	163,013
- Building repairs		2,536	-
- Burbidge glass		2,200	-
- Equipment expense		45,241	1,994
- Equipment repair		20,601	45,413
- Fence		18,656	50,024
- Lights / Switches		345	-
- Plumbing		-	28,147
<u>Staff expenses - Salaries and wages</u>		500,396	444,586
- Casual worker		14,596	300
- Social security		7,254	7,443
- Uniforms		17,646	23,664
- Wages worker		460,900	413,179
Subscriptions		2,798,140	2,301,438
Telephone and fax		17,866	14,726
		5,696,259	5,448,004
Surplus for the year		1,701,237	435,936