

QUAGGASKLOOF WATER-SKI CLUB
Financial statements
for the year ended 30 June 2022

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

General Information

Nature of business and principal activities	Water-ski Club
Trustees	J Noordemeer J Kotze W Pansegrouw B Pansegrouw S Loots J Bindeman J van Niekerk P Kaye
Registered office	Kwaggaskloof Dam Farm 493 Worcester 6850
Business address	Kwaggaskloof Dam Farm 493 Worcester 6850
Postal address	PO Box 202 Worcester 6849
Bankers	Standard Bank
Reviewer	BVSA Worcester (Edms) Bpk Chartered Accountants
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the constitution.
Preparer	The financial statements were independently compiled by: L Gempies
Issued	19 October 2022

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

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

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Committee's Responsibilities and Approval

The committee is required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The committee acknowledge that they are ultimately responsible for the system of internal financial control established by the club and place considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the business and all employees are required to maintain the highest ethical standards in ensuring the club's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the club is on identifying, assessing, managing and monitoring all known forms of risk across the business. While operating risk cannot be fully eliminated, the club endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee is 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The committee has reviewed the club's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, we are satisfied that the club has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external reviewer is responsible for independently reviewing and reporting on the club's financial statements. The financial statements have been examined by the club's external reviewer and their report is presented on page 5.

The financial statements set out on pages 4 to 16, which have been prepared on the going concern basis, were approved by the committee on 19 October 2022 and were signed on its behalf by:

J Kotze

W Pansegrouw

B Pansegrouw

Quaggaskloof Water-ski Club

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Committee's Report

The committee submit their report for the year ended 30 June 2022.

1. Review of activities

Main business and operations

The club is a water-ski club and operates principally in South Africa.

Net surplus of the club was R21 886 (2021: surplus R596 373).

2. Going concern

The 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 the reporting period

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

4. Committee

The committee of the club during the year and to the date of this report is as follows:

Name	
J Noordemeer	President
J Kotze	Commodore
W Pansegrouw	Secretary
B Pansegrouw	Treasurer
S Loots	SDP/Water Affairs
J Bindeman	Assets
J van Niekerk	Electricity & Security
P Kaye	Social

Independent Reviewer's Report

To the Owners of Quaggaskloof Water-ski Club

We have reviewed the financial statements of Quaggaskloof Water-ski Club, set out on pages 6 to 16, which comprise the statement of financial position as at 30 June 2022 and the statement of income and retained earnings, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution, 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.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Quaggaskloof Water-ski Club as at 30 June 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 constitution.

Other Reports Required by the constitution

The financial statements include the Committee's Report as required by the constitution. The trustees are responsible for the Committee's Report. Our conclusion on the financial statements does not cover the Committee's Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Committee's Report and, in doing so, considered whether the Committee's Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Committee's Report, we will report that fact. We have nothing to report in this regard.

19 October 2022

BVSA Worcester (Edms) Bpk
A Janse van Rensburg

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 345 588	1 528 415
Current Assets			
Trade and other receivables	3	278 802	572 743
Cash and cash equivalents	4	1 951 662	1 492 737
		2 230 464	2 065 480
Total Assets		3 576 052	3 593 895
Equity and Liabilities			
Club's funds and reserves			
Accumulated surplus		322 437	300 551
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	2 667 044	2 687 540
Finance lease liabilities	7	196 034	258 793
		2 863 078	2 946 333
Current Liabilities			
Trade and other payables	5	331 168	290 854
Finance lease liabilities	7	59 369	56 157
		390 537	347 011
Total Liabilities		3 253 615	3 293 344
Total Equity and Liabilities		3 576 052	3 593 895

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2022	2021
Revenue	8	4 494 730	4 639 138
Other income	9	15 932	105 676
Operating expenses		(4 512 890)	(4 153 952)
Operating (deficit)/surplus		(2 228)	590 862
Investment revenue	10	50 355	17 897
Finance costs	11	(26 241)	(12 386)
Surplus for the year		21 886	596 373
Opening balance		300 549	(295 823)
Accumulated surplus at the end of the year		322 435	300 550

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	12	793 517	982 480
Interest income		50 355	17 897
Finance costs		(3 313)	-
Net cash from operating activities		840 559	1 000 377
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(278 665)	(345 188)
Sale of property, plant and equipment	2	-	50 000
Net cash from investing activities		(278 665)	(295 188)
Cash flows from financing activities			
(Decrease)/increase in other financial liabilities		(20 496)	210 000
(Decrease)/increase in finance lease obligations		(82 473)	251 399
Net cash from financing activities		(102 969)	461 399
Total cash movement for the year		458 925	1 166 588
Cash at the beginning of the year		1 492 737	326 149
Total cash at end of the year	4	1 951 662	1 492 737

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. 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 club 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.

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 club.

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

Item	Depreciation method	Average useful life
Leasehold property	Straight line	10 years
Plant and machinery	Straight line	5 years
Furniture and fixtures	Straight line	6 years
Vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Mechanical equipment	Straight line	5 years
Equipment	Straight line	6 years
Container	Straight line	6 years

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, 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.

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Financial Statements for the year ended 30 June 2022

Accounting Policies

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 Revenue

Levies and recoveries are recognised as revenue once owners are invoiced. Ordinary levies are invoiced monthly, based on the proportional amount as per the approved budget. Other recoveries are recognised as and when due by the owners and are disclosed with the expenses to which they relate. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration receivable is the present value of all future receipts using the imputed rate of interest.

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.

1.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand

2022

2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	4 485 344	(3 463 145)	1 022 199	4 256 622	(3 123 791)	1 132 831
Plant and machinery	1 096 440	(1 096 440)	-	1 096 440	(1 096 013)	427
Furniture and fixtures	71 254	(58 252)	13 002	62 254	(53 459)	8 795
Vehicles	966 176	(718 611)	247 565	966 176	(614 073)	352 103
Equipment	419 506	(369 746)	49 760	394 781	(360 522)	34 259
IT equipment	100 966	(87 904)	13 062	84 751	(84 751)	-
Container	15 000	(15 000)	-	15 000	(15 000)	-
Total	7 154 686	(5 809 098)	1 345 588	6 876 024	(5 347 609)	1 528 415

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Buildings	1 132 831	228 724	(339 355)	1 022 200
Plant and machinery	427	-	(427)	-
Furniture and fixtures	8 795	9 000	(4 792)	13 003
Vehicles	352 103	-	(104 538)	247 565
Equipment	34 259	24 725	(9 224)	49 760
IT equipment	-	16 216	(3 154)	13 062
	1 528 415	278 665	(461 490)	1 345 590

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Buildings	1 468 620	-	(335 788)	1 132 832
Plant and machinery	2 411	-	(1 984)	427
Furniture and fixtures	18 863	-	(10 067)	8 796
Vehicles	104 097	318 941	(70 935)	352 103
Equipment	14 335	26 247	(6 323)	34 259
	1 608 326	345 188	(425 097)	1 528 417

Net carrying amounts of leased assets

Vehicles	228 574	349 333
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3. Trade and other receivables

Trade receivables	171 255	468 283
Deposits	107 547	104 460
	278 802	572 743

Quaggaskloof Water-ski Club

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4 769	3 942
Bank balances	131 252	165 692
Short-term deposits	1 815 641	1 323 103
	1 951 662	1 492 737
5. Trade and other payables		
Trade payables	123 937	186 373
Amounts received in advance	207 231	104 481
	331 168	290 854
6. Other financial liabilities		
At amortised cost		
Deposit small garages (1 to 19) The deposits held for the garages are unsecured, interest free and only refundable upon the re-leasing of the garage based on the terms of the club.	429 132	414 898
Deposit big garages (A1 to A8) The deposits held for the garages are unsecured, interest free and only refundable upon the re-leasing of the garage based on the terms of the club.	415 960	415 960
Deposit big garages (B1 to B10) The deposits held for the garages are unsecured, interest free and only refundable upon the re-leasing of the garage based on the terms of the club.	500 000	500 000
Deposit big garages (C1 to C10) The deposits held for the garages are unsecured, interest free and only refundable upon the re-leasing of the garage based on the terms of the club.	745 000	745 000
Deposit big garages (D1 to D8) The deposits held for the garages are unsecured, interest free and only refundable upon the re-leasing of the garage based on the terms of the club.	525 000	525 000
Other loans This loan is unsecured, interest free and repayable in monthly instalments.	51 952	86 682
	2 667 044	2 687 540
Non-current liabilities		
At amortised cost	2 667 044	2 687 540

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Notes to the Financial Statements

Figures in Rand	2022	2021
7. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	81 402	79 647
- in second to fifth year inclusive	224 341	293 806
	305 743	373 453
Less: future finance charges	(50 340)	(58 503)
Present value of minimum lease payments	255 403	314 950
Non-current liabilities	196 034	258 793
Current liabilities	59 369	56 157
	255 403	314 950
It is business policy to lease certain motor vehicles and equipment under finance leases.		
Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases.		
The business's obligations under finance leases are secured by the leased assets. Refer note 2.		
8. Revenue		
Memberships, renewals and application fees	397 910	753 160
Levies	1 460 262	1 463 025
Gate fees and rental of park homes	1 325 338	1 145 998
Rental of equipment and facilities	45 892	45 767
Net bar income	-	8 583
Electricity and sewerage	853 043	671 130
Garage rental and application fees	408 260	541 575
Gate vouchers	4 025	9 900
	4 494 730	4 639 138
9. Other income		
Profit on sale of assets and liabilities	-	50 000
Penalties and fines	1 000	-
Other income	3 434	26 135
Insurance payouts	11 498	29 541
	15 932	105 676
10. Investment revenue		
Interest revenue		
Bank	47 268	14 212
Other interest	3 087	3 685
	50 355	17 897
11. Finance costs		
Finance leases	22 928	12 386
SARS	2 682	-
Other finance cost	631	-
	26 241	12 386

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Notes to the Financial Statements

Figures in Rand	2022	2021
12. Cash generated from operations		
Surplus before taxation	21 886	596 373
Adjustments for:		
Depreciation and amortisation	461 490	425 097
Surplus on sale of assets	-	(50 000)
Interest received	(50 355)	(17 897)
Finance costs	26 241	12 386
Changes in working capital:		
Trade and other receivables	293 941	(37 796)
Trade and other payables	40 314	54 317
	793 517	982 480
13. Repairs and maintenance		
Divisions:		
Bubbler maintenance	69 777	91 708
Buildings	86 593	84 320
Campsite	17 624	5 189
Electrical repairs	49 677	95 818
Equipment	21 452	22 310
Fire Hydrants	30 072	-
General	31 972	73
Grass cutting	48 698	41 304
Irrigations	8 526	11 445
Roads	155 836	14 114
Pesticides	877	-
	521 104	366 281

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue	8	4 494 730	4 639 138
Other income			
Fees earned		1 000	-
Other income		3 434	26 135
Insurance payouts		11 498	29 541
Gains on disposal of assets		-	50 000
		15 932	105 676
Operating expenses			
Accounting fees		59 444	-
Advertising		32 466	28 957
Assets costing less than R7000		10 319	72 479
Audit fees		23 000	-
Bad debts		2 592	-
Bank charges		16 127	26 051
Cleaning		45 531	43 776
Commission paid		26 307	15 350
Computer expenses		2 250	1 358
Consulting fees		53 250	5 107
Depreciation, amortisation and impairments		461 490	425 097
Employee costs		1 494 154	1 284 915
Entertainment		8 611	6 533
Insurance		115 733	95 378
Lease rentals on operating lease		5 000	1 700
Legal expenses		-	2 444
Licenses		5 198	7 680
Medical and safety equipment		-	1 003
Membership fees		4 538	-
Motor vehicle expenses		249 993	391 761
Municipal expenses		1 032 954	896 121
Other expenses		16 979	36 570
Postage		513	-
Printing and stationery		5 570	3 205
Repairs and maintenance	13	521 104	366 281
Security		183 551	309 669
Shortages		2 418	(5 281)
Staff welfare		19 151	20 025
Subscriptions		92 578	75 652
Telephone and fax		22 069	25 229
Training		-	11 794
Travel - local		-	5 098
		4 512 890	4 153 952
Operating (deficit)/surplus		(2 228)	590 862
Investment income	10	50 355	17 897
Finance costs	11	(26 241)	(12 386)
		24 114	5 511
Surplus for the year		21 886	596 373

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Supplementary Information

1. Application fees and upgrades

	2022	2021	2020	2019	2018
Annual members	-	-	18 000	-	-
New membership	369 450	639 320	-	88 505	187 460
Upgrades and renewals	28 460	113 840	65 875	28 950	(9 150)
	397 910	753 160	83 875	117 455	178 310

2. Gates fees and camping

	2022	2021	2020	2019	2018
Gate fees, fisherman, park home rentals and camping	1 325 338	1 145 998	862 159	901 471	591 042
Gate vouchers	4 025	9 900	3 275	11 000	5 000
	1 329 363	1 155 898	865 434	912 471	596 042

3. Rental income

	2022	2021	2020	2019	2018
Clubhouse	10 000	-	19 349	2 875	5 200
Equipment	35 892	45 767	29 448	34 719	33 555
	45 892	45 767	48 797	37 594	38 755

4. Net bar takings

	2022	2021	2020	2019	2018
Bar sales	-	8 583	23 429	54 093	71 157
Less: Opening stock	-	-	(19 650)	(19 237)	(17 895)
Less: Purchases	-	-	(80)	(56 739)	(48 683)
Add: Closing stock	-	-	-	19 650	19 237
	-	8 583	3 699	(2 233)	23 816

5. Garage rental and application fees

	2022	2021	2020	2019	2018
Application fee	60 000	186 500	140 000	50 000	20 000
Rental	348 260	355 075	303 185	269 925	240 431
	408 260	541 575	443 185	319 925	260 431