

**MARINA DA GAMA ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Managing the collective interests common to all homeowner members at the Marina da Gama
Excom members	P. Allen H. Attfield J. Fitzpatrick L. Gafoor A. Hemp P. Higgins L. Kargaard P. McKenna R. Midgley C. Philip T. Quelch
Registered office	Shop 7, Eastlake Village Centre Eastlake Drive Eastlake Island Marina da Gama 7945
Postal address	P.O. Box 121 Muizenberg 7945
Bankers	Standard Bank of SA Limited
Independent auditors	BDV Platinum Audit Services Inc Chartered Accountants (SA) Registered Auditors
Tax reference number	9731/296/15/9
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Association's Constitution and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).
Preparer	The annual financial statements were independently compiled by: BDV Platinum Professional Services Inc Chartered Accountants (SA)

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Association's Constitution and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Excom Members' Responsibilities and Approval

The Executive Committee (Excom") 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 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 the basis of accounting described in Note 1.

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

The Excom acknowledges that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Excom to meet these responsibilities, the Excom 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the 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 Excom 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Excom have reviewed the associations's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, Excom is satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 4 to 17, which have been prepared on the going concern basis, were approved by the Excom and were signed on its behalf by:

Approval of annual financial statements


Chairperson


Date

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Executive Committee's Report

The Excom submits their report for the year ended 29 February 2020.

1. Review of activities

Main business and operations

The association is engaged in managing the collective interests common to all homeowner members at the Marina da Gama and operates principally in South Africa.

The operating results and state of affairs of the association are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the association was R170,351 (2019: surplus R226,067), after taxation of R2,342 (2019: R4,274).

2. Going concern

The Excom believes that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The Excom have satisfied themselves that the association is in a sound financial position and that it has access to sufficient financing facilities and reserves to meet its foreseeable cash requirements.

The Excom have put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and are of the opinion that no material uncertainty exists about the association's ability to continue as a going concern.

The Excom are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes in legislation which may affect the association.

3. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the association.

The Excom of the association have reviewed the impact of COVID-19 on the association's affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

The Excom are of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements.

4. Subscriptions

Contributions paid by owners and interest earned during the year were sufficient to meet expenditure, resulting in a subscription surplus of R 170,351 (2019: R 226,067).

5. Excom members

The Excom members of the association during the year and to the date of this report are as follows:

Name	Area	Date of appointment	Date of resignation	Attendance
P. Allen	Eastlake	16/10/2018		12/12
J. Fitzpatrick	Eastlake	29/06/2015		10/12
L. Gafoor	Uitsig	25/07/2016		11/12
A. Hemp	Uitsig	25/07/2016		9/12
P. Laubscher	Eastlake	11/06/2018	13/03/2019	1/1
R. Midgley	Eastlake	15/01/2019		12/12
L. Moko	Uitsig	11/06/2018	18/06/2019	3/4
C. Philip	Eastlake	29/06/2015	01/07/2020	11/12
T. Quelch	Park	05/06/2017	01/07/2020	12/12

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Executive Committee's Report

6. Auditors

BDV Platinum Audit Services Inc will continue in office for the next financial period with the approval of the members at the annual general meeting of members.

Independent Auditor's Report

To the Members of Marina da Gama Association

Opinion

We have audited the annual financial statements of Marina da Gama Association (the association) set out on pages 8 to 17, which comprise the statement of financial position as at 29 February 2020, and the statement of financial performance, statement of comprehensive income, statement of changes in reserves and 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, the annual financial statements of Marina da Gama Association for the year ended 29 February 2020 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 Association's Constitution and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the association in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 15 to the annual financial statements which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on Marina da Gama Association's future prospects, performance and cash flows. Management have addressed the effects and implications of COVID-19 on the association and they are satisfied that no material uncertainty exists that may cast significant doubt on Marina da Gama Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Excom is responsible for the other information. The other information comprises the information included in the document titled "Marina da Gama Association annual financial statements for the year ended 29 February 2020", which includes the Executive Committee's Report as required, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

BDV Platinum Audit Services Incorporated**Company Reg No:** 2013/023630/21 **VAT No.:** 4480275661**Physical Address:** 49 Bell Crescent, | Westlake Business Park | Westlake 7946**Postal Address:** PO Box 31400 | Tokai 7900 | **Email:** admin@bdvplatinum.com**Telephone:** 021 701 7620 | **Fax:** 086 639 9572 **Web:** www.bdvplatinum.com**Directors:** Carel Braam de Vries, Mark Dawson**Practice No.:** 903104

Responsibilities of Excom members for the Annual Financial Statements

The Excom is responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 and the requirements of the Association's Constitution and Section 29 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the Excom determines 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 Excom is responsible for assessing the association'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 Excom either intend to liquidate the association 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.

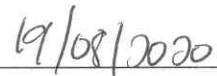
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Excom.
- Conclude on the appropriateness of the Excom's 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 association'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 association 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 Excom 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.



BDV Platinum Audit Services Inc
Director - Braam De Vries
Chartered Accountants (SA)
Registered Auditors



Date

BDV Platinum Audit Services Incorporated

Company Reg No: 2013/023630/21 **VAT No.:** 4480275561

Physical Address: 49 Bell Crescent, I Westlake Business Park I Westlake 7945

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Directors: Carel Braam de Vries, Mark Dawson

Practice No.: 903104

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	39,932	21,001
Current Assets			
Subscriptions receivable	3	80,714	79,095
Other receivables	4	6,450	1,450
Cash and cash equivalents	5	851,427	768,359
		938,591	848,904
Total Assets		978,523	869,905
Equity and Liabilities			
Owners' funds and reserves			
Reserves		420,965	482,520
Accumulated surplus		477,625	300,518
		898,590	783,038
Liabilities			
Current Liabilities			
Trade and other payables	6	77,591	75,706
Current tax payable		2,342	11,161
		79,933	86,867
Total Equity and Liabilities		978,523	869,905

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
Revenue			
Members' subscriptions		847,360	763,917
		847,360	763,917
Other income			
Administration fees		1,650	3,900
Advertising income		10,908	15,938
Interest received		46,076	45,995
		58,634	65,833
Total income		905,994	829,750
Operating expenses			
Administration and sundries			
AGM and special meeting expenses		4,259	6,845
Assets less than R7 000		-	4,500
Auditing and bookkeeping fees	7	18,031	18,555
Bad debts provision		88,273	73,329
Bank charges		10,434	11,188
CSOS expenses		200	250
Cleaning		493	635
Communication		12,938	13,167
Computer and office equipment expenses		2,543	3,447
Debt collection commission		8,485	25,333
Debt collection commission - recovered from members		(18,345)	-
Depreciation		5,013	1,105
General expenses		-	2,680
Insurance		9,140	7,177
Legal expenses - Rezoning		-	44,000
Legal expenses - recovered from members		-	(51,736)
Newsletters - Design and printing		48,054	45,017
Printing, stationery and postage		3,286	8,581
Professional fees - other		-	665
Rent of office		56,216	61,243
Security monitoring		143,839	37,149
Social activities		8,459	5,435
		401,318	318,565
Employee costs			
Employee costs - salaried staff		243,986	214,103
		243,986	214,103
Municipal charges			
Electricity		1,900	3,500
		1,900	3,500

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
Repairs and maintenance			
Office		888	4,150
Parks labour		64,756	50,654
Parks materials		20,453	3,612
Waterways		-	4,825
		86,097	63,241
Total operating expenses		733,301	599,409
Surplus before taxation		172,693	230,341
Taxation	8	(2,342)	(4,274)
Surplus for the year		170,351	226,067

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Statement of Changes in Reserves

Figures in Rand	Archcom deposits reserve fund	Security capex reserve fund	Total reserves	Accumulated surplus	Total owners' funds and reserves
Balance at 01 March 2018	248,100	350,000	598,100	74,451	672,551
Surplus for the year	-	-	-	226,067	226,067
Transferred from Archcom deposits liability	8,900	-	8,900	-	8,900
Security equipment purchased	-	(124,480)	(124,480)	-	(124,480)
Total changes	8,900	(124,480)	(115,580)	-	(115,580)
Balance at 01 March 2019	257,000	225,520	482,520	300,518	783,038
Surplus for the year	-	-	-	170,351	170,351
Transferred from Archcom deposits liability	24,650	-	24,650	-	24,650
Prior year income tax reversed	-	-	-	6,756	6,756
Security equipment purchased	-	(85,105)	(85,105)	-	(85,105)
Movement in Archcom deposits reserve fund	(1,100)	-	(1,100)	-	(1,100)
Total changes	23,550	(85,105)	(61,555)	6,756	(54,799)
Balance at 29 February 2020	280,550	140,415	420,965	477,625	898,590
Note(s)	9	10			

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from operations	11	172,972	243,010
Tax paid	12	(4,405)	-
Net cash from operating activities		168,567	243,010
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(23,944)	(22,106)
Cash flows from financing activities			
Movement in archcom deposits		23,550	8,900
Security equipment purchased		(85,105)	(124,480)
Net cash from financing activities		(61,555)	(115,580)
Total cash movement for the year		83,068	105,324
Cash at the beginning of the year		768,359	663,035
Total cash at end of the year	5	851,427	768,359

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on the historical cost basis and in accordance with generally accepted accounting practice applicable to homeowners' associations and in the manner required by the rules of the homeowners' association and incorporate the following principal accounting policies. 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 is initially measured at cost and 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 association.

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

Item	Depreciation method	Average useful life
Irrigation and gardening equipment	Straight line	5 years
Office furniture	Straight line	6 years
Computer equipment	Straight line	3 years
Sound equipment	Straight line	5 years

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

1.2 Subscriptions receivable

Subscriptions receivable are initially and subsequently measured at cost, less provisions for bad and doubtful debts.

1.3 Other receivables

Other receivables are initially and subsequently measured at cost.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits initially and subsequently recorded at cost and are not revalued.

1.5 Trade and other payables

Trade and other payables are initially and subsequently measured at cost.

1.6 Capital and other reserves

At the discretion of Excom, a certain portion of the surplus in each year is transferred to reserve accounts. These funds are set aside for future expenditure and are represented by the surplus cash of the association. During the year, income and expenditure transactions which relate to the reserve accounts are posted directly to the reserve accounts. At the end of the year Excom makes a decision regarding final transfers to / from the Income statement and Accumulated surplus to / from the Reserve accounts including transfers between Reserve accounts.

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.7 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

The association is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, members' subscriptions 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.

1.8 Revenue

Revenue is recognised on an invoice basis. Revenue consists mainly of members' subscriptions which are used to manage the township.

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

Other income is recognised in surplus or deficit on receipt.

1.9 Expenses

Expenses represent all of the administration, operating and management expenses for the association and are recognised on an accrual basis.

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Irrigation and gardening equipment	49,432	(21,280)	28,152	37,268	(16,267)	21,001
Office furniture	8,327	(8,327)	-	8,327	(8,327)	-
Computer equipment	11,780	-	11,780	-	-	-
Sound equipment	7,145	(7,145)	-	7,145	(7,145)	-
Total	76,684	(36,752)	39,932	52,740	(31,739)	21,001

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Irrigation and gardening equipment	21,001	12,164	(5,013)	28,152
Computer equipment	-	11,780	-	11,780
	21,001	23,944	(5,013)	39,932

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Irrigation and gardening equipment	-	22,106	(1,105)	21,001

3. Subscriptions receivable

Comprise outstanding subscriptions for:

2019/2020	221,442	297,933
2018/2019	100,584	-
2017/2018	22,006	204,934
Prior years	43,186	41,373
Less: Provision for bad and doubtful debts	(306,504)	51,626
2019/2020	(161,390)	(218,838)
2018/2019	(94,397)	-
2017/2018	(20,795)	(155,466)
Prior years	(29,922)	(31,675)
	80,714	79,095

The provision for bad and doubtful debts has been determined by reference to the amounts still outstanding as at 31 March 2020 in respect of the above years subscriptions. The write off to bad debts in the statement of comprehensive income has been determined by reference to the adjustment required to the provision for bad and doubtful debts account.

4. Other receivables

Deposits	6,450	1,450
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Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	373	2,027
Current account	7,709	4,582
Money market call account	562,121	488,988
Marketlink call account - Archcom deposits reserve fund	281,224	272,762
	851,427	768,359
6. Trade and other payables		
Distress residence loan	1,800	-
Subscriptions received in advance	75,261	59,543
SSL - security cameras	530	3,730
Accrued expenses	-	12,433
	77,591	75,706
7. Auditing and bookkeeping fees		
Auditing fees	14,731	12,305
Bookkeeping fees	3,300	6,250
	18,031	18,555
8. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	2,342	4,274
9. Archcom deposits reserve fund		
Opening balance	257,000	248,100
Transferred from Archcom deposits liability	24,650	8,900
Transferred (from)/to reserve during the year	(1,100)	-
Closing balance	280,550	257,000
10. Security capex reserve fund		
Opening balance	225,520	350,000
Security equipment purchased	(85,105)	(124,480)
Closing balance	140,415	225,520

A total of R209,585 was spent on security equipment during the 2019 and 2020 financial periods.

Marina da Gama Association

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
11. Cash generated from operations		
Surplus before taxation	172,693	230,341
Adjustments for:		
Depreciation	5,013	1,105
Changes in working capital:		
Subscriptions receivable	(1,619)	(13,824)
Other receivables	(5,000)	-
Trade and other payables	1,885	25,388
	172,972	243,010

12. Tax paid

Balance at beginning of the year	(11,161)	(6,887)
Current tax for the year recognised in loss	(2,342)	(4,274)
Reversal of prior year income tax	6,756	-
Balance at end of the year	2,342	11,161
	(4,405)	-

13. Marina News

Marina da Gama Association has a newsletter called the Marina News which is distributed to members. The association generates advertising income from the newsletter which is included in revenue.

14. 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.

The ability of the association to continue as a going concern is dependent on a number of factors. The most significant of these is that Excom continues to procure funding for the ongoing operations for the association.

Excom has put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and is of the opinion that no material uncertainty exists about the association's ability to continue as a going concern.

15. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the association.

Excom has reviewed the impact of COVID-19 on the association's affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

Excom is of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements.