

**THE BODY CORPORATE OF KNIGHTSBRIDGE MANSIONS  
(Scheme number SS 18/1980)  
Annual Financial Statements  
for the year ended 31 December 2018**

DRAFT

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Index

---

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

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	2 - 4
Trustees' Responsibilities and Approval	5
Trustees' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Annual Financial Statements	13 - 16

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

Detailed Income Statement	17
---------------------------	----

## Independent Auditor's Report

---

To the members of The Body Corporate of Knightsbridge Mansions

### Report on the Audit of the Annual Financial Statements

#### Opinion

We have audited the annual financial statements of The Body Corporate of Knightsbridge Mansions set out on pages 7 to 16, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity 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 present fairly, in all material respects, the financial position of The Body Corporate of Knightsbridge Mansions as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011).

#### 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 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 annual 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 1 to the annual financial statements which describes the basis of accounting. The annual financial statements are prepared in accordance with the body corporate's own accounting policies to satisfy the annual financial statements needs of its owners. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), which we obtained prior to the date of this report, and the supplementary information set out on page 17. 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.

## Independent Auditor's Report

---

### Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the body corporate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the body corporate or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the body corporate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the body corporate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the body corporate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report

---

### Report on other legal and regulatory requirements

In accordance with the Management Rules of the body corporate and in terms of Regulation 6 of the Sectional Titles Schemes Management Regulations 2016, Rules 26(5)(c)(ii), (iii) and (iv), we report as follows:

#### Compliance findings with accounting requirements (Rule 26(5)(c)(ii))

The trustees are responsible to ensure that the body corporate complies with management rules 21, 24 and 26 adopted in terms of the Sectional Title Schemes Management Regulations 2016, which includes the implementation of systems, processes and internal controls such internal control as the trustees determine is necessary.

If during the course of our audit of the annual financial statements of the body corporate we become aware of any instances of non-compliance with the accounting requirements set out in management rules 21, 24 and 26 (the Rules), we are required to report our findings. We identified the following instances of non-compliance with the Rules:

- Rule 21(4) as not all the body corporate's money is deposited into an interest-bearing bank account;
- Rule 24(2) as the Reserve Fund was used to fund operating expenses of the body corporate;
- Rule 24(5)(a) as payments were made from the Reserve Fund without a trustee resolution;
- Rule 26(1)(d) by not complying with Rule 22(3) and 22(4);
- Rule 26(4) as the prior year annual financial statements were not presented at the AGM within 4 months after the financial year end;
- Rule 26(5)(d) as the audit of the annual financial statements has not been completed within 4 months of the financial year end.

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

In terms of relevant International Standards on Auditing we did not conduct an engagement relating to whether the financial records 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 gathered evidence to express any assurance opinion or conclusion thereon.

---

**Cecil Kilpin & Co.**  
**Chartered Accountants (SA)**  
**Registered Auditors**  
**Per Partner: M Spencer**

---

**Century City**  
**Date:** \_\_\_\_\_

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Trustees' Responsibilities and Approval

---

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the body corporate's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are aware of the legislation that was introduced by the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) on 7 October 2016. This legislation requires that the body corporate maintain a reserve fund of not less than 25% of the previous year's operational levies. In order to achieve this, the trustees will include an adjustment in the budgets for 2019 and 2020 to comply with Regulation 2(a) and 2(c).

The external auditors are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of trustees and were signed on its behalf by:

### Approval of annual financial statements

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

Date: \_\_\_\_\_

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Trustees' Report

---

The trustees submit their report for the year ended 31 December 2018.

### 1. Review of activities

#### Main business and operations

The body corporate is engaged in governing the property and operates principally in South Africa.

The controlling body was established to administer the common property of the Sectional Scheme known as Knightsbridge Mansions, situated at 235 Beach Road, Sea Point, being Erf number 601, for which a Sectional Title Register was opened.

All expenses applicable to the common property and administration are recovered from the various section owners by means of a monthly levy in terms of the rules of the body corporate and are in accordance with the participation quota applicable to each section.

### 2. Events after the reporting period

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

### 3. Contributions

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 302,822 (2017: R 656,125).

### 4. Trustees

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

#### Name

Philip Lourandos  
Peter Michaelledi  
Richard Michelmores  
Jennifer Potter  
Melchoir Rabie

### 5. Managing Agent

The managing agent of the body corporate is IHFM (Pty) Ltd of:

#### Business address

8th Floor, 2 On Long  
2 Long Street  
Cape Town  
8001

#### Postal address

PO Box 1212  
Kuilsriver  
7579

### 6. Management and conduct rules

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

### 7. Estimates of income and expenditure for the 2019 financial year

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

### 8. Insured replacement values

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

### 9. Auditors

Cecil Kilpin & Co. was the auditor for the year under review and their re-appointment is dependent on a resolution taken to that effect by the section owners at the forthcoming annual general meeting.

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Financial Position as at 31 December 2018

	Note(s)	2018 R	2017 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	17,931	17,931
<b>Current Assets</b>			
Trade and other receivables	3	445,235	258,930
Cash and cash equivalents	4	824,825	756,204
		<b>1,270,060</b>	<b>1,015,134</b>
<b>Total Assets</b>		<b>1,287,991</b>	<b>1,033,065</b>
<b>Equity and Liabilities</b>			
<b>Members' funds and reserves</b>			
Accumulated surplus		1,135,469	832,647
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	143,764	196,067
Current tax payable		8,758	4,351
		<b>152,522</b>	<b>200,418</b>
<b>Total Equity and Liabilities</b>		<b>1,287,991</b>	<b>1,033,065</b>

DRAFT



# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Comprehensive Income

	Note(s)	2018 R	2017 R
Revenue	6	976,523	1,723,192
Other income		392,924	369,940
Operating expenses		(1,101,081)	(1,461,086)
<b>Operating surplus</b>		<b>268,366</b>	<b>632,046</b>
Investment revenue	7	43,332	29,398
Finance costs	11	(118)	(968)
<b>Surplus before taxation</b>		<b>311,580</b>	<b>660,476</b>
Taxation	12	(8,758)	(4,351)
<b>Surplus</b>		<b>302,822</b>	<b>656,125</b>

DRAFT

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Changes in Equity

	Accumulated surplus	Total members' funds and reserves
	R	R
Balance at 01 January 2017	176,522	176,522
Surplus	656,125	656,125
Balance at 01 January 2018	832,647	832,647
Surplus	302,822	302,822
Balance at 31 December 2018	1,135,469	1,135,469
Note(s)		

DRAFT

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Statement of Cash Flows

	Note(s)	2018 R	2017 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	29,758	516,123
Interest income		43,332	29,398
Finance costs		(118)	(968)
Tax paid	14	(4,351)	-
<b>Net cash from operating activities</b>		<b>68,621</b>	<b>544,553</b>
<b>Total cash movement for the year</b>		<b>68,621</b>	<b>544,553</b>
Cash at the beginning of the year		756,204	211,651
<b>Total cash at end of the year</b>	4	<b>824,825</b>	<b>756,204</b>

DRAFT

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Accounting Policies

---

### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the body corporate holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the body corporate.

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

Item	Depreciation method	Average useful life
Land and buildings	Straight line	Indefinite

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

#### 1.2 Financial instruments

##### Trade and other receivables, loans and trade and other payables

Trade and other receivables, loans and trade and other payable are measured at cost less any impairment. At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

In terms of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) a reserve fund is maintained for the purposes of future maintenance and repairs to common property.

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Accounting Policies

---

### 1.3 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

#### Tax expenses

The body corporate is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section, levy income and recoveries are fully exempt. All other income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less a portion of deductible administrative expenses.

### 1.4 Impairment of assets

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

### 1.5 Provisions and contingencies

Provisions are recognised when the body corporate has an obligation at the reporting date as a result of a past event; it is probable that the body corporate will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

### 1.6 Revenue

The ordinary levies are accounted for on a straight-line basis over the financial year and decided amongst the section owners on a participation quota basis. The annual ordinary levies are agreed and approved by the members at the body corporate's annual general meeting.

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

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

	2018 R	2017 R
--	-----------	-----------

### 2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	17,931	-	17,931	17,931	-	17,931

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Closing balance
Land and buildings	17,931	17,931

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Closing balance
Land and buildings	17,931	17,931

#### Details of properties

Sections 23; 36; 37; 42; 55 and 59 as shown on the sectional title plan No. SS18/1980 in the scheme known as The Body Corporate of Knightsbridge Mansions, in respect of land and buildings situated at Sea Point West, City of Cape Town. The floor area is 57; 18; 6; 6; 6 and 6 square metres in extent respectively and an undivided share in the common property in the scheme apportioned to the said sections in accordance with the participation quota as endorsed on the said sectional plan.

### 3. Trade and other receivables

Levies in arrears	321,762	251,568
Accrued income	-	3,242
Prepayments	-	4,120
CSOS	86	-
City of Cape Town	123,387	-
	<b>445,235</b>	<b>258,930</b>

#### Ageing of levies

	2018					2017
	Current	30 days	60 days	90 days +	Total	Total
Levies in arrears	60,088	54,226	10,917	196,531	321,762	251,568

The detailed age analysis of levies in arrears is available for inspection at the registered office of the body corporate.

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

	2018 R	2017 R
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Administrative Fund - Standard Bank 71113630	69,264	173,172
Reserve Fund - Standard Bank 478721781	755,561	583,032
	<b>824,825</b>	<b>756,204</b>

### Reconciliation of Reserve Fund

Major capital items	Amount in the reserve at year end	Estimated total cost for 10 years	Percentage saved	Surplus (deficit)
Electrical areas	19,535	79,676	24.52 %	(60,141)
External plumbing areas	53,000	216,166	24.52 %	(163,166)
Carpeting and furnishing	7,104	28,973	24.52 %	(21,869)
Roof areas	9,768	39,838	24.52 %	(30,070)
Painting and repairs	410,551	1,674,485	24.52 %	(1,263,934)
Waterproofing	208,843	851,793	24.52 %	(642,950)
Communication and service supply systems	12,431	50,703	24.52 %	(38,272)
Parking facilities	2,363	9,636	24.52 %	(7,273)
Security systems and facilities	17,759	72,433	24.52 %	(54,674)
Community and recreational facilities	14,207	57,946	24.52 %	(43,739)
	<b>755,561</b>	<b>3,081,649</b>		<b>(2,326,088)</b>

### 5. Trade and other payables

Accrued expenses	22,563	85,331
Levies received in advance	72,713	68,700
Unknown deposits	34,930	21,596
Deposits received	13,558	20,440
	<b>143,764</b>	<b>196,067</b>

### Accrued expenses - age analysis by creditor

	2018					2017
	Current	30 days	60 days	90 days +	Total	Total
Biccari Bollo Mariano Inc.	-	-	-	-	-	20,954
CSOS	-	-	-	-	-	14,877
Cecil Kilpin & Co.	8,740	-	-	-	8,740	7,182
City of Cape Town	-	-	-	-	-	9,829
OTIS (Pty) Ltd	-	-	-	12,397	12,397	-
Professional Protection Alternatives (Pty) Ltd	-	-	-	-	-	32,489
Zone Pest Control	1,426	-	-	-	1,426	-
<b>Total</b>	<b>10,166</b>	<b>-</b>	<b>-</b>	<b>12,397</b>	<b>22,563</b>	<b>85,331</b>

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

	2018 R	2017 R
<b>6. Revenue</b>		
Ordinary levies	961,622	959,056
Special levies	-	749,259
CSOS levies	14,901	14,877
	<b>976,523</b>	<b>1,723,192</b>
<b>7. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	43,332	33,987
Overdue owners' accounts	-	(4,589)
	<b>43,332</b>	<b>29,398</b>
<b>8. Auditor's remuneration</b>		
Fees	7,820	7,182
<b>9. Insurance policy details</b>		
<b>Buildings insurance</b>		
Insurance company	HIC Underwriting managers	
Policy Number	HIC065428	
Expiry date	2019/09/30	
Payment basis	Monthly	
Total replacement value	R 139,363,800	
<b>Trustee indemnity insurance</b>		
Insurance company	HIC Underwriting managers	
Policy Number	HIC065428	
Expiry date	2019/09/30	
Payment basis	Monthly	
Indemnity insurance cover	R 5,043,860	
<b>10. Repairs and maintenance - Administrative Fund</b>		
Building	30,196	37,153
Electrical	14,329	118,065
Fire equipment	-	13,657
Gardening	1,248	-
Gates and doors	-	16,895
General building	75,796	21,536
Painting	6,751	2,736
Pest control	7,433	6,894
Plumbing	14,338	14,946
Repair materials	2,376	-
Security	-	450
Tags	-	1,106
Waste pipe project	-	22,942
Waterproofing	-	261,402
Windows	28,793	-
Less: Insurance claims	-	(19,047)
	<b>181,260</b>	<b>498,735</b>



# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Notes to the Annual Financial Statements

	2018 R	2017 R
<b>11. Finance costs</b>		
Trade and other payables	118	968
<b>12. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - current year	8,758	4,351
The body corporate is subject to tax at the company rate of 28% on the net investment income, in excess of R 50,000, in terms of Section 10(1)(e) of the Income Tax Act.		
<b>13. Cash generated from operations</b>		
Surplus before taxation	311,580	660,476
<b>Adjustments for:</b>		
Interest received	(43,332)	(29,398)
Finance costs	118	968
<b>Changes in working capital:</b>		
Trade and other receivables	(186,305)	(167,216)
Trade and other payables	(52,303)	51,293
	<b>29,758</b>	<b>516,123</b>
<b>14. Tax paid</b>		
Balance at beginning of the year	(4,351)	-
Current tax for the year recognised in surplus or deficit	(8,758)	(4,351)
Balance at end of the year	8,758	4,351
	<b>(4,351)</b>	<b>-</b>

# The Body Corporate of Knightsbridge Mansions

(Scheme number: SS 18/1980)

Annual Financial Statements for the year ended 31 December 2018

## Detailed Income Statement

	Note(s)	2018 R	2017 R
<b>Revenue</b>			
Ordinary levies		961,622	959,056
Special levies		-	749,259
CSOS levies		14,901	14,877
	6	<b>976,523</b>	<b>1,723,192</b>
<b>Other income</b>			
Interest received	7	43,332	29,398
Recoveries		354,424	333,640
Rental income		38,500	36,300
		<b>436,256</b>	<b>399,338</b>
<b>Operating expenses</b>			
AGM expenses		1,924	7,374
Accounting fees		5,858	1,938
Administration fees		-	8,550
Auditors remuneration	8	7,820	7,182
Bank charges		10,864	12,325
CSOS levies		14,901	14,877
Cleaning		81,863	48,934
Electricity		62,223	65,354
Employee costs		5,000	46,146
Insurance	9	116,095	115,697
Legal fees		6,900	90,693
Levies paid		1,099	-
Lift maintenance		49,731	46,828
Management fees		63,659	35,177
Municipal reversal of estimates		(62,656)	-
Printing and stationery		654	2,379
Professional fees		9,343	45,710
Rates		1,290	2,326
Refuse		27,215	26,917
Repairs and maintenance - Administrative Fund	10	181,260	498,735
Security		402,394	298,059
Sewerage		47,656	29,481
Telephone		1,519	4,456
Water		64,469	51,948
		<b>1,101,081</b>	<b>1,461,086</b>
<b>Operating surplus</b>		<b>311,698</b>	<b>661,444</b>
Finance costs	11	(118)	(968)
<b>Surplus before taxation</b>		<b>311,580</b>	<b>660,476</b>
Taxation	12	(8,758)	(4,351)
<b>Surplus</b>		<b>302,822</b>	<b>656,125</b>