



**BODY CORPORATE  
ANNUAL FINANCIAL  
STATEMENTS  
EXPLANATORY  
COMMENTARY**



Page number	Title	Requirements
Page 1	General Information	This Information is not required to be presented, either by the IFRS for SMEs or by Management Rule 26(1). Presentation of such General Information is thus optional.
		In terms of PMR 26(1)(c)(iii) a body corporate is required to disclose amounts advanced to the body corporate by way of levy finance, a loan, in terms of a guarantee insurance policy or otherwise, setting out the actual or contingent liability of the body corporate and the amounts paid by the body corporate and by any member in terms of such arrangement. The illustrative annual financial statements do not include such arrangement however should this apply to a body corporate, disclosure is required.
Page 4	Trustee's Report	In terms of PMR 26(1)(f), a body corporate is required to prepare a report adopted by the trustees reviewing the affairs of the body corporate during the financial year, for presentation at the annual general meeting (AGM). The Trustees' Report does not form part of the body corporate's annual financial statements (AFS), but is required to be presented at the AGM. Approval on this page is thus optional.
Page 5	Note 7 Insurance Policy Details	In terms of PMR 26(1)(c)(v), a body corporate's AFS must include premiums and other amounts paid and payments received by the body corporate and any member in terms of the insurance policies of the body corporate and the expiry date of each policy. It is not a requirement to include the



		information that is set out in Note 7 on page 5 in the Trustees report. The information required by Management Rule 26 (1)(c)(v) is however required to be included in the annual financial statements and is thus included in the Notes to the Annual Financial Statements.
Page 6	Independent Auditor's Report	This is a placeholder for the audit report. Refer to SAICA communication "Opinions required of the auditor in terms of Management Rule 26(5)(c) of the Sectional Title Schemes Management Regulations, 2016" for guidance on the audit reporting requirements.
Page 10	Statement of Cash Flows	Direct or indirect method maybe applied. The direct method was applied in the example.
Page 11	Accounting policies	Only accounting policies applicable to the body corporate need to be disclosed. The remainder are optional and included in the example for completeness purposes.
Page 16	Note 5 Trade and Other Receivables	In terms of PMR 26(1)(c)(i), the annual financial statements must include analyses of the amounts due to the body corporate in respect of contributions, special contributions and other charges, classified by member and the periods for which such amounts were owed. The information in Note 5 is thus required to be included in the annual financial statements.
Page 17	Note 9 Maintenance Reserve Fund	In terms of PMR 26(1)(c)(iv), the annual financial statements are required to include analyses of the amounts in the reserve fund showing the amount available for maintenance, repair and replacement of each major capital item as a percentage of the accrued estimated cost and the rand value of any shortfall. The information in Note 9 is thus required to be included in the



		<p>annual financial statements. The template does not contain an illustration of a maintenance, repair and replacement plan in accordance with rule 22 which is required by PMR 26(1)(d) to be presented at the AGM.</p>
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