OWOBV Proprietary Limited
(Registration number 2016/182577/07)

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	Frail care facilities for a retirement village
Directors	AG Dreyer C Heyns HW Hurter AJ van der Schyf BK Wehrle
Registered office	Oude Westhof Retirement Village 26 Van Riebeeckshof Road Van Riebeeckshof BELLVILLE 7530
Business address	Oude Westhof Retirement Village 26 Van Riebeeckshof Road Van Riebeeckshof BELLVILLE 7530
Postal address	PO BOX 5700 BELLVILLE Western Cape 7536
Holding entity	Oude Westhof Village Management Association
Bankers	Nedbank Limited
Auditors	PKF Cape Town Chartered Accountants (S.A.) Registered Auditors
Company registration number	2016/182577/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	These annual financial statements were prepared under the supervision of: WF van der Merwe Chartered Accountant (S.A.)
Issued	21 April 2020

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

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

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 company 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 external auditors are engaged to express an independent opinion on the annual financial statements.

The annual 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 judgements and estimates.

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

The directors 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 directors have reviewed the company's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, They are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 24, which have been prepared on the going concern basis, were approved by the directors on 21 April 2020 and were signed on its behalf by:

Director	Director

Independent Auditor's Report

To the Shareholder of OWOBV Proprietary Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the financial statements of OWOBV Proprietary Limited (the company) set out on pages 9 to 23, which comprise the statement of financial position as at 29 February 2020, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of OWOBV Proprietary Limited as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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 financial statements section of our report. We are independent of the company 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 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: The impact of the uncertainty of COVID-19 Pandemic

We draw attention to Note 20 in the financial statements, which deals with events after the reporting period and specifically the possible effects of the future implications of COVID-19 on OWOBV Proprietary Limited's future prospects, performance and cashflows. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "OWOBV Proprietary Limited annual financial statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act of South Africa and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISA 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the directors 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.

PKF Cape Town
M Louw
Partner
Registered Auditor

21 April 2020
BELLVILLE

Directors' Report

The Directors have pleasure in submitting their report on the annual financial statements of OWOBV Proprietary Limited and its associates for the year ended 29 February 2020.

1. Incorporation

The company was incorporated on 04 May 2016 and obtained its certificate to commence business on the same day.

2. Nature of business

OWOBV Proprietary Limited was incorporated in South Africa, the company provides frail care facilities for a retirement village.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

No dividends were declared or paid to the shareholder during the year.

6. Directors

The Directors in office at the date of this report are as follows:

Directors
AG Dreyer
C Heyns
HW Hurter
AJ van der Schyf
BK Wehrle

7. Holding entity

The company's holding entity is Oude Westhof Village Management Association which holds 100% (2019 100%) of the company's equity.

Directors' Report

8. Subsequent event: The impact of the uncertainty of the COVID-19 pandemic

Subsequent to year-end, as a result of a local and global coronavirus COVID-19 infectious disease pandemic, a national state of disaster was declared in South Africa on 15 March 2020. As a preventive measure, except for certain essential services, a strictly regulated 5 week nationwide stay-at-home total lockdown was implemented from 26 March to 30 April 2020.

As part of a gradual and phased recovery of economic activity and an easing of the lockdown restrictions, a 5-coronavirus alert level approach was adopted by the government on 1 May 2020, where level 5 means only essential services can operate and level 1 means that most normal activities can resume. The alert level is determined by the government and is based on its assessment of the infection rate and the capacity of the country's health system.

As at the date of this report, the country is at alert level 4 and at this level the company is permitted to and has commenced operating within the scope of the health and safety regulations.

Apart from the above, the Directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Directors' Report

9. Going concern

The Directors believe that the company 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 Directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

PKF Cape Town continued in office as auditors for the company for 2020.

Statement of Financial Position as at 29 February 2020

	Note(s)	2020 R	2019 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	472 554	449 259
Investment property at fair value	3	21 489 092	21 489 092
		21 961 646	**21 938 351**
Current Assets			
Trade and other receivables	4	162 979	200 475
Current tax receivable		9 423	-
Cash and cash equivalents	5	87 252	275 247
		259 654	**475 722**
Total Assets		**22 221 300**	**22 414 073**
Equity and Liabilities			
Equity			
Retained income		14 357 041	13 954 001
Liabilities			
Non-Current Liabilities			
Loan from shareholder	7	4 044 295	4 076 292
Deferred tax	8	3 174 249	3 162 088
		7 218 544	**7 238 380**
Current Liabilities			
Trade and other payables	9	645 715	1 153 575
Current tax payable		-	68 117
		645 715	**1 221 692**
Total Liabilities		**7 864 259**	**8 460 072**
Total Equity and Liabilities		**22 221 300**	**22 414 073**

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue	10	8 818 018	9 662 391
Other income	11	-	2 142 247
Operating expenses		(8 259 691)	(9 416 488)
Operating profit	12	**558 327**	**2 388 150**
Investment revenue	13	7 066	16 490
Finance costs		(5 615)	(42 762)
Profit before taxation		**559 778**	**2 361 878**
Taxation	14	(156 738)	(550 799)
Profit for the year		**403 040**	**1 811 079**
Other comprehensive income		-	-
Total comprehensive income for the year		**403 040**	**1 811 079**

OWOBV Proprietary Limited
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Statement of Changes in Equity

	Share capital R	Retained income R	Total equity R
Balance at 01 March 2018	**-**	**12 142 922**	**12 142 922**
Profit for the year	-	1 811 079	1 811 079
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**1 811 079**	**1 811 079**
Balance at 01 March 2019	**-**	**13 954 001**	**13 954 001**
Profit for the year	-	403 040	403 040
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**403 040**	**403 040**
Balance at 29 February 2020	**-**	**14 357 041**	**14 357 041**
Note	6		

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Statement of Cash Flows

	Note(s)	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from customers		9 680 933	9 731 722
Cash paid to suppliers and employees		(9 549 788)	(8 627 609)
Cash generated from operations	15	131 145	1 104 113
Interest income		7 066	16 490
Finance costs		(5 615)	(42 762)
Tax paid	16	(222 117)	(742 958)
Net cash from operating activities		**(89 521)**	**334 883**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(66 477)	(273 965)
Sale of investment property at fair value	3	-	8 673 805
Net cash from investing activities		**(66 477)**	**8 399 840**
Cash flows from financing activities			
Repayment of other financial liabilities		-	(1 017 192)
Repayment of shareholders loan		(31 997)	(7 772 366)
Net cash from financing activities		**(31 997)**	**(8 789 558)**
Total cash movement for the year		**(187 995)**	**(54 835)**
Cash at the beginning of the year		275 247	330 082
Total cash at end of the year	5	**87 252**	**275 247**

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 International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the directors determined that the useful lives of certain items of surveillance equipment should be shortened, due to developments in technology.

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

The fair value is determined regularly by an external valuator derived from current market prices of comparable real estate.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company 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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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 company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Computer equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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 profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 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 profit or loss) 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 cash and cash equivalents, 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 profit or loss.

Accounting Policies

1.5 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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.6 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.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

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

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

Accounting Policies

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.10 Provisions and contingencies

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

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.11 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

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

Notes to the Annual Financial Statements

	2020 R	2019 R

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	550 443	(80 126)	470 317	483 966	(39 334)	444 632
Computer equipment	7 017	(4 780)	2 237	7 017	(2 390)	4 627
Total	**557 460**	**(84 906)**	**472 554**	**490 983**	**(41 724)**	**449 259**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	444 632	66 477	(40 792)	470 317
Computer equipment	4 627	-	(2 390)	2 237
	449 259	**66 477**	**(43 182)**	**472 554**

3. Investment property at fair value

Reconciliation of investment property at fair value - 2020

	Opening balance	Total
Investment property	21 489 092	21 489 092

Details of property

Oude Westhof Village

Sectional title 61 consisted out of units 115 to 124. In the current financial year unit 115 to 122 was sold, causing the restructuring of sectional title 61 and leaving only unit 123 and 124.

- Purchase price: 4 April 2016	7 553 764	7 553 764
- Fair value adjustment	13 935 328	13 935 328
	21 489 092	**21 489 092**

Details of valuation

The effective date of the revaluations was Wednesday, 28 February 2018. The valuation was performed by an independent valuation company, DDP Valuers Proprietary Limited. DDP Valuers Proprietary Limited is not connected to the company and have recent experience in the location and category of the investment property at fair value being valued.

The valuation was based on a replacement cost for existing use. The directors are of the opinion that this valuation is still an accurate reflection of the fair value of the property.

Notes to the Annual Financial Statements

	2020 R	2019 R

4. Trade and other receivables

Trade receivables	162 979	200 475

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 500	7 520
Bank balances	80 752	267 727
	87 252	**275 247**

6. Share capital

Authorised		
4,000 Ordinary shares at no par value	-	-
Issued		
100 Ordinary shares at no par value	-	-

7. Loan from shareholder

Oude Westhof Village - Long term loan	(4 044 295)	(4 076 292)

This loan is unsecured, bears no interest as agreed upon between the parties involved and is repayable by 31 December 2028.

8. Deferred tax

Deferred tax liability	(3 174 249)	(3 162 088)

The major components of the deferred tax balance are as follows:

Deferred tax liability		
Arising as a result of temporary differences on:		
Property, plant and equipment	(52 735)	(40 574)
Investment property	(3 121 514)	(3 121 514)
Total deferred tax liability	**(3 174 249)**	**(3 162 088)**

Reconciliation of deferred tax asset/(liability)

At beginning of year	(3 162 088)	(3 422 363)
Recognised in profit or loss:		
Movement in temporary differences on property, plant and equipment	(12 161)	(40 575)
Movement in temporary differences on investment property at fair value	-	622 151
Decrease in tax loss available for set off against future taxable income	-	(321 300)
	(12 161)	**260 276**
At end of year	**(3 174 249)**	**(3 162 088)**

Notes to the Annual Financial Statements

	2020 R	2019 R
9. Trade and other payables		
Trade payables	457 011	216 029
VAT	76 351	248 506
Municipal costs accrual	112 353	689 040
	645 715	**1 153 575**
10. Revenue		
Sale of goods	8 818 018	9 662 391
11. Other income		
Profit on sale of assets and liabilities	-	1 973 695
Occupational rent	-	168 552
	-	**2 142 247**

12. Operating profit

Operating profit for the year is stated after accounting for the following:

	2020 R	2019 R
Profit on sale of investment property	-	1 973 695
Depreciation on property, plant and equipment	43 182	29 847
Employee costs	4 520 837	6 487 153

13. Investment revenue

	2020 R	2019 R
Interest revenue		
Bank	7 066	16 490

Notes to the Annual Financial Statements

	2020 R	2019 R

14. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - year	144 577	811 075
Deferred taxation		
South African deferred tax - current year	12 161	(260 276)
	156 738	**550 799**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	559 778	2 361 878
Tax at the applicable tax rate of 28% (2019: 28%)	156 738	661 326
Other		
Capital gains tax differential	-	(110 527)
	156 738	**550 799**

15. Cash generated from operations

Profit before taxation	559 778	2 361 878
Adjustments for:		
Depreciation and amortisation	43 182	29 847
Profit on sale of assets	-	(1 973 695)
Interest received	(7 066)	(16 490)
Finance costs	5 615	42 762
Changes in working capital:		
Trade and other receivables	37 496	69 331
Trade and other payables	(507 860)	590 480
	131 145	**1 104 113**

16. Tax paid

Balance at beginning of the year	(68 117)	-
Current tax for the year recognised in loss	(144 577)	(811 075)
Balance at end of the year	(9 423)	68 117
	(222 117)	**(742 958)**

Notes to the Annual Financial Statements

	2020 R	2019 R

17. Related parties

Relationships

Holding entity	Oude Westhof Village Management Association
Members of key management	AG Dreyer C Heyns HW Hurter AJ van der Schyf BK Wehrle

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

	2020 R	2019 R
Loan account - Owing (to) by related parties		
Oude Westhof Village Management Association	(4 044 295)	(4 076 292)

18. Directors' remuneration

No emoluments were paid to the Directors or any individuals holding a prescribed office during the year.

Notes to the Annual Financial Statements

19. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2020					
Assets					
Non-Current Assets					
Investment property at fair value	3	-	-	21 489 092	21 489 092
Property, plant and equipment	2	-	-	472 554	472 554
		-	**-**	**21 961 646**	**21 961 646**
Current Assets					
Current tax receivable		-	-	9 423	9 423
Trade and other receivables	4	162 979	-	-	162 979
Cash and cash equivalents	5	87 252	-	-	87 252
		250 231	**-**	**9 423**	**259 654**
Total Assets		**250 231**	**-**	**21 971 069**	**22 221 300**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent:					
Accumulated profit	6	-	-	14 357 041	14 357 041
Total Equity		**-**	**-**	**14 357 041**	**14 357 041**
Liabilities					
Non-Current Liabilities					
Loan from shareholders	7	-	4 044 295	-	4 044 295
Deferred tax	8	-	-	3 174 249	3 174 249
		-	**4 044 295**	**3 174 249**	**7 218 544**
Current Liabilities					
Trade and other payables	9	-	569 364	76 351	645 715
Total Liabilities		**-**	**4 613 659**	**3 250 600**	**7 864 259**
Total Equity and Liabilities		**-**	**4 613 659**	**17 607 641**	**22 221 300**

Notes to the Annual Financial Statements

20. Subsequent event: The impact of the uncertainty of the COVID-19 pandemic

Subsequent to year-end, as a result of a local and global coronavirus COVID-19 infectious disease pandemic, a national state of disaster was declared in South Africa on 15 March 2020. As a preventive measure, except for certain essential services, a strictly regulated 5 week nationwide stay-at-home total lockdown was implemented from 26 March to 30 April 2020.

As part of a gradual and phased recovery of economic activity and an easing of the lockdown restrictions, a 5-coronavirus alert level approach was adopted by the government on 1 May 2020, where level 5 means only essential services can operate and level 1 means that most normal activities can resume. The alert level is determined by the government and is based on its assessment of the infection rate and the capacity of the country's health system.

As at the date of this report, the country is at alert level 4 and at this level the company is permitted to and has commenced operating within the scope of the health and safety regulations.

Apart from the above, the Directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Detailed Income Statement

	Note(s)	2020 R	2019 R
Revenue			
Boarding		8 818 018	9 662 391
Other income			
Occupational rent		-	168 552
Interest received	13	7 066	16 490
Gains on disposal of assets		-	1 973 695
		7 066	**2 158 737**
Operating expenses			
Advertising		-	4 675
Auditors remuneration		59 098	60 110
Bad debts		21 374	-
Bank charges		3 347	2 991
Cleaning		816 766	116 971
Computer expenses		14 668	11 173
Consulting fees		42 176	-
Depreciation, amortisation and impairments		43 182	29 847
Employee costs		4 520 837	6 487 153
Entertainment		869	-
Insurance		31 711	27 324
Legal expenses		53 717	9 048
Meal levy		228 626	217 461
Meals		994 320	922 432
Medical expenses		181 582	138 666
Municipal expenses		87 174	588 078
PQ Levy		352 097	290 713
Printing and stationery		39 468	33 581
Repairs and maintenance		329 720	154 306
Social work		67 224	92 993
Staff welfare		139 059	52 893
Subscriptions		159 750	126 840
Telephone and fax		41 422	32 003
Training		31 504	17 230
		8 259 691	**9 416 488**
Operating profit	12	**565 393**	**2 404 640**
Finance costs		(5 615)	(42 762)
Profit before taxation		**559 778**	**2 361 878**
Taxation	14	(156 738)	(550 799)
Profit for the year		**403 040**	**1 811 079**

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