

**INGWELALA SHARE BLOCK (PTY) LTD  
(REGISTRATION NUMBER 1983/006997/07)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Owns property situated in Umbabat Private Nature Reserve, Mpumalanga
<b>Directors</b>	J.M. Saker (Chairman) A.R. Hauptfleisch G.B. Babaya C.D. du Plessis D.G. King J.H. Llewellyn G.I. Maile N.J. Roodt A.L. Rossaak G.R. Schwaeble B.R. Simpson H.J. Tonetti
<b>Registered office</b>	Argyle Road Umbabat Private Nature Reserve Mpumalanga 1380
<b>Business address</b>	Argyle Road Umbabat Private Nature Reserve Mpumalanga 1380
<b>Postal address</b>	Ingwelala Share Block (Pty) Ltd PO Box 121 Hoedspruit 1380
<b>Bankers</b>	First National Bank Limited
<b>Auditors</b>	Boake Incorporated Registered Auditors
<b>Secretary</b>	C.D. du Plessis
<b>Company registration number</b>	1983/006997/07
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were internally compiled by: G.I. Maile CA(SA)
<b>Issued</b>	13 October 2017

# Ingwelala Share Block (Pty) Ltd

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## Independent Auditor's Report

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To the shareholders of Ingwelala Share Block (Pty) Ltd

### Opinion

We have audited the annual financial statements of Ingwelala Share Block (Pty) Ltd set out on pages 8 to 21, which comprise the statement of financial position as at 30 June 2017, 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 Ingwelala Share Block (Pty) Ltd as at 30 June 2017, 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 71 of 2008.

### 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 company 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.

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. 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.

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 22 to 23 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

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

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors 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 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.

## Independent Auditor's Report

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### 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 skepticism 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 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 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 company 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 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.

*Boake Inc.*

**Boake Incorporated**  
**Per: D.I. Fraser**  
**Director**  
**Registered Auditor**

**13 October 2017**  
**Bedfordview**

## **Directors' Responsibilities and Approval**

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The directors are required by the Companies Act 71 of 2008, 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 board of 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 30 June 2018 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 3 to 4.

The annual financial statements set out on pages 6 to 23, which have been prepared on the going concern basis, were approved by board of directors on 13 October 2017 and have been signed on their behalf by:

  
\_\_\_\_\_  
J.M. Saker

  
\_\_\_\_\_  
A.R. Hauptfleisch

# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Ingwelala Share Block (Pty) Ltd for the year ended 30 June 2017.

### 1. Nature of business

Ingwelala Share Block (Pty) Ltd was incorporated in South Africa and owns property situated in Umbabat Private Nature Reserve, Mpumalanga. The company operates in South Africa.

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

### 2. 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 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements.

### 3. Share capital

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

### 4. Dividends

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

### 5. Directors

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

Directors	Office	Designation	Nationality	Changes
J.M. Saker	Chairperson	Non-executive	South African	
A.R. Hauptfleisch	Vice Chair	Non-executive	South African	
G.B. Babaya	Director	Non-executive	South African	Appointed 17 November 2016
C.D. du Plessis	Secretary	Non-executive	South African	Appointed 17 November 2016
D.G. King	Director	Non-executive	South African	Appointed 17 November 2016
J.H. Llewellyn	Managing Director	Executive	South African	
G.I. Maile	Director	Non-executive	South African	Appointed 17 November 2016
N.J. Roodt	Director	Non-executive	South African	
A.L. Rossaak	Director	Non-executive	South African	
G.R. Schwaeble	Director	Non-executive	South African	
B.R. Simpson	Director	Non-executive	South African	Appointed 17 November 2016
H.J. Tonetti	Director	Non-executive	South African	Appointed 17 November 2016
C.C. Henderson	Director	Non-executive	South African	Resigned 17 November 2016
G.R. George	Director	Non-executive	South African	Resigned 17 November 2016
I.C. Visée	Director	Non-executive	South African	Resigned 17 November 2016
I.P.W. Knight	Director	Non-executive	South African	Resigned 17 November 2016
J.M. Vice	Director	Non-executive	South African	Resigned 17 November 2016
K.A. Alborough	Director	Non-executive	South African	Resigned 17 November 2016

### 6. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.



# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017



## Director' Report

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### 7. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 8. 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.

### 9. Auditors

Boake Incorporated continued in office as auditors for the company.

## REPORT OF THE AUDIT COMMITTEE

In terms of the Companies Act 71 of 2008, the company, as a private company, must appoint an Audit Committee. The Audit Committee must report annually to the shareholders and consequently we report as follows:

- The shareholders appointed three independent directors, with relevant knowledge and experience, to the Audit Committee. The current members are G.B. Babaya (Chairman), D.G. King and G.I. Maile.
- The Audit Committee role is to oversee the adequacy of the financial systems and controls, review the annual financial statements, appoint the independent auditor and ensure their independence, and agree the audit fees.
- The Audit Committee meets once or twice a year with the provision for further meetings to be held when and if necessary.
- The Audit Committee met together with the auditors and management and can report that they:
  - are satisfied that the financial systems and controls are adequate for the size of the company,
  - recommend that the annual financial statements for the year ended 30 June 2017, be approved by the Board,
  - are satisfied that the auditor was independent,
  - have reviewed and approved any non-audit services provided by the auditor.

A handwritten signature in black ink, appearing to read "G.B. Babaya", written over a horizontal line.

G.B. Babaya  
Chairman

13 October 2017



# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Position

	Notes	2017 R	2016 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1	1
Loans to shareholders	3	4 080 000	4 080 000
		<b>4 080 001</b>	<b>4 080 001</b>
<b>Current Assets</b>			
Inventories	4	479 262	627 440
Trade and other receivables	5	330 672	477 610
Cash and cash equivalents	6	4 245 117	3 330 787
		<b>5 055 051</b>	<b>4 435 837</b>
<b>Total Assets</b>		<b>9 135 052</b>	<b>8 515 838</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	1 500	1 500
Retained income		2 504 000	1 985 199
		<b>2 505 500</b>	<b>1 986 699</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from shareholders	3	4 080 000	4 080 000
<b>Current Liabilities</b>			
Trade and other payables	8	2 347 458	1 627 516
Loans from companies with predominantly common shareholders	9	169 843	458 740
Current tax payable		32 251	2 156
Provisions	10	-	360 727
		<b>2 549 552</b>	<b>2 449 139</b>
<b>Total Liabilities</b>		<b>6 629 552</b>	<b>6 529 139</b>
<b>Total Equity and Liabilities</b>		<b>9 135 052</b>	<b>8 515 838</b>

# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017



## Statement of Comprehensive Income

	Notes	2017 R	2016 R
Capital receipts	11	6 801 241	6 219 258
Capital expenditure	12	(1 938 015)	(1 331 547)
<b>Capital surplus</b>		<b>4 863 226</b>	<b>4 887 711</b>
Other income	13	7 951 568	6 925 372
Operating expenses		(12 412 247)	(11 574 669)
<b>Operating profit</b>	14	<b>402 547</b>	<b>238 414</b>
Investment revenue	15	204 377	165 607
Finance costs	16	(20 823)	(52 143)
<b>Profit before taxation</b>		<b>586 101</b>	<b>351 878</b>
Taxation	17	(67 300)	(32 370)
<b>Profit for the year</b>		<b>518 801</b>	<b>319 508</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>518 801</b>	<b>319 508</b>

## Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

### Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
<b>Balance at 01 July 2015</b>	<b>1 500</b>	<b>1 665 691</b>	<b>1 667 191</b>
Profit for the year	-	319 508	319 508
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>319 508</b>	<b>319 508</b>
<b>Balance at 01 July 2016</b>	<b>1 500</b>	<b>1 985 199</b>	<b>1 986 699</b>
Profit for the year	-	518 801	518 801
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>518 801</b>	<b>518 801</b>
<b>Balance at 30 June 2017</b>	<b>1 500</b>	<b>2 504 000</b>	<b>2 505 500</b>

Note

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# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Statement of Cash Flows

	Notes	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	1 056 878	472 134
Interest income		204 377	165 607
Finance costs		(20 823)	(52 143)
Tax paid	20	(37 205)	(32 523)
<b>Net cash from operating activities</b>		<b>1 203 227</b>	<b>553 075</b>
<b>Cash flows from financing activities</b>			
Repayment of loans from companies with predominantly common shareholders		(288 897)	(596 269)
<b>Net cash from financing activities</b>		<b>(288 897)</b>	<b>(596 269)</b>
<b>Total cash movement for the year</b>		<b>914 330</b>	<b>(43 194)</b>
Cash at the beginning of the year		3 330 787	3 373 981
<b>Total cash at end of the year</b>	6	<b>4 245 117</b>	<b>3 330 787</b>

# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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

In preparing the annual financial statements, management and the directors are required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

##### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 1.2 Property, plant and equipment

Property, plant and equipment is carried at cost.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit and loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## **Accounting Policies**

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### **1.3 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 loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of Section 11 Basic Financial Instruments of the International Financial Reporting Standard for Small and Medium-sized Entities, 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.

#### **Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

#### **Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

### **1.4 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**

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.

### **1.5 Inventories**

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

### **1.6 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.

# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.7 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.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by services performed to date as a percentage of total services to be performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The company receives levies charged for the management of a share block to fund the operations.

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

### 1.8 Borrowing costs

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



# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
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### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property, plant and equipment	1	-	1	1	-	1

#### Details of properties

##### Land

- Cost	3 000 000	3 000 000
- Derecognised	(2 999 999)	(2 999 999)
	<u>1</u>	<u>1</u>

##### Buildings

- Cost	7 482 393	7 482 393
- Derecognised	(7 482 393)	(7 482 393)
	<u>-</u>	<u>-</u>

In terms of the International Financial Reporting Standard for Small and Medium-sized Entities and the South African Institute of Chartered Accountants Guidelines for Share Block Companies, derecognition of the company's property, plant and equipment has been effected in the annual financial statements to reflect that the members of Ingwelala Share Block Limited have the right of use of the common property and the economic value, as determined by the provisions of the signed Use Agreements.

As a consequence, the property, plant and equipment has no economic value to Ingwelala Share Block (Pty) Ltd and is therefore carried at a nominal value.

#### Details of properties

- Remaining extent of portion 8 of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 62.4429 hectares in extent and held under Deed of Transfer No T29546/1983, Registrar of Pretoria.
- Portion 12 (a portion of portion 8) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 42.6365 hectares in extent and held under Deed of Transfer No T29549/1983, Registrar of Pretoria.
- Portion 13 (a portion of portion 8) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 42.8266 hectares in extent and held under Deed of Transfer No T29546/1983, Registrar of Pretoria.
- Portion 14 (a portion of portion 8) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 42.8266 hectares in extent and held under Deed of Transfer No T29548/1983, Registrar of Pretoria.
- Portion 19 (a portion of portion 8) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 42.8266 hectares in extent and held under Deed of Transfer No T29546/1983, Registrar of Pretoria.
- Portion 20 (a portion of portion 8) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 42.8271 hectares in extent and held under Deed of Transfer No T29546/1983, Registrar of Pretoria.

# Ingwelala Share Block (Pty) Ltd

(Registration number 1983/006997/07)

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>2. Property, plant and equipment (continued)</b>		
• Remaining extent of portion 2 of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 607.6029 hectares in extent and held under Deed of Transfer No T29547/1983, Registrar of Pretoria.		
• Portion 23 (a portion of portion 2) of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring a combined 428.2673 hectares in extent and held under Deed of Transfer No T29545/1983, Registrar of Pretoria.		
• Portion 5 of the Farm Argyle No 46, Registration Division KU, Mpumalanga, measuring 186.7240 hectares in extent and held under Deed of Transfer No T122322/2005. Registrar of Pretoria.		
<b>3. Loans to (from) shareholders</b>		
Loans from shareholders	(4 080 000)	(4 080 000)
Loans to shareholders	4 080 000	4 080 000
	-	-
The loans are unsecured, interest free and are repayable at the option of the company, which has no intention to do so in the near future.		
Non-current assets	4 080 000	4 080 000
Non-current liabilities	(4 080 000)	(4 080 000)
	-	-
<b>4. Inventories</b>		
Fuel on hand	41 418	143 357
Gas	14 810	34 538
Shop stock	227 852	256 196
Workshop stock	135 544	131 865
Forecourt stock	58	979
Maintenance stock	30 180	34 453
Generator fuel	6 923	3 990
Paraffin	7 299	4 427
Sundry stock	200	200
Solar alarm stock	14 978	17 435
	<b>479 262</b>	<b>627 440</b>
<b>5. Trade and other receivables</b>		
Trade receivables	214 170	292 634
Prepayments	-	6 338
Deposits	37 125	37 125
VAT	21 276	-
Other receivables	-	4 177
Op Goedehoop No 25 (Pty) Ltd - Current account	-	137 336
Sibon Property Holdings (Pty) Ltd - Current account	58 101	-
	<b>330 672</b>	<b>477 610</b>

# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
• Cash on hand	7 450	7 450
• Bank balances - interest bearing	4 149 382	3 245 466
• Daily receipting control account	88 285	77 871
	<b>4 245 117</b>	<b>3 330 787</b>
<b>7. Share capital</b>		
<b>Authorised</b>		
1 500 Ordinary shares of R1 each	1 500	1 500
<b>Issued</b>		
1 500 Ordinary shares of R1 each	1 500	1 500
<b>8. Trade and other payables</b>		
Trade payables	659 533	382 822
Amounts received in advance	3 406	-
VAT	-	26 143
Contractors deposits	225 533	155 203
Accrued leave pay	379 953	-
Accrued expenses	832 257	890 986
Op Goedehoop No 25 (Pty) Ltd - Current account	94 278	-
Sundry payables	152 498	172 362
	<b>2 347 458</b>	<b>1 627 516</b>
<b>9. Loans from companies with predominantly common shareholders</b>		
<b>At amortised cost</b>		
Op Goedehoop No 25 (Pty) Ltd	169 843	419 523
Sibon Property Holdings (Pty) Ltd	-	39 217
	<b>169 843</b>	<b>458 740</b>
The Op Goedehoop No 25 (Pty) Ltd loan is unsecured, bears interest at 8.00% (2016: 8.00%) and has no fixed terms of repayment.		
The Sibon Property Holdings (Pty) Ltd loan was unsecured, bears interest at 3.75% (2016: 3.75%) and has been repaid in the current year.		
<b>Current liabilities</b>		
At amortised cost	169 843	458 740

# Ingwelala Share Block (Pty) Ltd

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## Notes to the Annual Financial Statements

	2017 R	2016 R		
<b>10. Provisions</b>				
<b>Reconciliation of provisions - 2017</b>				
	<b>Opening balance</b>	<b>Reclassified during the year</b>	<b>Total</b>	
Provision for leave pay	360 727	(360 727)	-	
<b>Reconciliation of provisions - 2016</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Total</b>
Provision for leave pay	276 831	97 586	(13 690)	360 727
<b>11. Capital receipts</b>				
Members levy income			6 134 732	5 625 156
User fees			57 017	28 509
Gate levy income			609 492	565 593
			<b>6 801 241</b>	<b>6 219 258</b>
<b>12. Capital expenditure and operating expenses</b>				
Full details of the capital expenditure and operating expenses are provided in the detailed statement of financial performance, as set out on pages 22 to 23, of these annual financial statements.				
<b>13. Other income</b>				
Recoveries			-	36 165
Members service fee income			3 279 748	2 433 158
Secretarial fees			68 000	36 000
Recoveries from ancillary services rendered			4 603 820	4 420 049
			<b>7 951 568</b>	<b>6 925 372</b>
<b>14. Operating profit</b>				
Operating profit (loss) for the year is stated after accounting for the following:				
<b>Operating lease charges</b>				
Equipment				
• Contractual amounts			19 888	18 439
Employee costs			6 152 510	5 569 760
<b>15. Investment revenue</b>				
<b>Interest revenue</b>				
Bank			204 377	165 607

# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>16. Finance costs</b>		
Related parties	20 823	52 143
<b>17. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax - current period	67 300	32 370
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense:		
Accounting profit	586 101	351 878
Tax at the applicable tax rate of 28% (2016: 28%)	164 108	98 526
<b>Tax effect of adjustments on taxable income</b>		
Exempt shareblock income	(96 808)	(66 156)
	<b>67 300</b>	<b>32 370</b>
<b>18. Auditor's remuneration</b>		
Fees	146 594	137 549
Other services	10 335	9 936
	<b>156 929</b>	<b>147 485</b>
<b>19. Cash generated from operations</b>		
Profit before taxation	586 101	351 878
<b>Adjustments for:</b>		
Interest received	(204 377)	(165 607)
Finance costs	20 823	52 143
Movement in provisions	(360 727)	83 896
<b>Changes in working capital:</b>		
Inventories	148 178	(165 571)
Trade and other receivables	146 938	(137 377)
Trade and other payables	719 942	452 772
	<b>1 056 878</b>	<b>472 134</b>
<b>20. Tax (paid) refunded</b>		
Balance at beginning of the year	(2 156)	(2 309)
Current tax for the year recognised in profit or loss	(67 300)	(32 370)
Balance at end of the year	32 251	2 156
	<b>(37 205)</b>	<b>(32 523)</b>

# Ingwelala Share Block (Pty) Ltd

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## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>21. Directors' remuneration</b>		
<b>Executive</b>		
<b>2017</b>		
Executive remuneration	<b>Emoluments</b> 1 067 704	<b>Total</b> 1 067 704
<b>2016</b>		
Executive remuneration	<b>Emoluments</b> 920 806	<b>Total</b> 920 806

### 22. 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.

### 23. Events after the reporting period

The annual financial statements were authorised for issue on 13 October 2017 by the board of directors of the company.

In the ordinary course of business, no unusual events have been identified after the reporting period.

# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

	2017 R	2016 R
<b>24. Related parties</b>		
<b>Relationships</b>		
Companies with similar shareholding		
		Buffelsbed Share Block (Pty) Ltd Op Goedehoop No 25 (Pty) Ltd Sibon Property Holdings (Pty) Ltd
Directors to whom payments were made for services rendered		C.C. Henderson (Resigned 17/11/2016) K.A. Alborough (Resigned 17/11/2016) A.R. Hauptfleisch I.C. Visée (Resigned 17/11/2016) G.R. George (Resigned 17/11/2016) G.B. Babaya G.I. Maile D.G. King
Member of key management		John Llewellyn
<b>Related party balances</b>		
<b>Loan accounts - Owning (to) by related parties</b>		
Op Goedehoop No 25 (Pty) Ltd	(169 843)	(419 523)
Sibon Property Holdings (Pty) Ltd	-	(39 217)
<b>Amounts included in Trade Receivable (Trade Payable) regarding related parties</b>		
Op Goedehoop No 25 (Pty) Ltd - Current account	(94 278)	137 336
Sibon Property Holdings (Pty) Ltd - Current account	58 101	-
<b>Loans to (from) shareholders</b>		
Shareholder loans	4 080 000	4 080 000
Shareholder loans	(4 080 000)	(4 080 000)
<b>Related party transactions</b>		
<b>Interest paid to (received from) related parties</b>		
Op Goedehoop No 25 (Pty) Ltd	20 823	36 101
Sibon Property Holdings (Pty) Ltd	-	16 042
<b>Director related expenses - reimbursement of travelling expenses</b>		
K.A. Alborough (Resigned 17/11/2016)	6 000	9 000
A.R. Hauptfleisch	3 500	2 000
I.C. Visée (Resigned 17/11/2016)	1 000	1 000
G.R. George (Resigned 17/11/2016)	-	1 000
G.B. Babaya	1 000	-
G.I. Maile	1 000	-
D.G. King	1 500	-
<b>Administration fees paid to (received from) related parties</b>		
Op Goedehoop No 25 (Pty) Ltd	(54 063)	(51 000)
Sibon Property Holdings (Pty) Ltd	(222 000)	(110 400)
<b>Payments made to related parties</b>		
CCH Consulting Services (Chris Henderson - director - Resigned 17/11/2016) - payments for medical supplies for tracking dogs	2 350	4 539
Human Alliance (Pty) Ltd (Kevin Alborough - director - Resigned 17/11/2016) - (2017: Payment for courier of documents) (2016: Staff Assessments)	236	2 269



# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Detailed Statement of Financial Performance

	Notes	2017 R	2016 R
<b>Capital receipts</b>			
Members levies		6 134 732	5 625 156
User fees		57 017	28 509
Gate levies		609 492	565 593
	11	<b>6 801 241</b>	<b>6 219 258</b>
<b>Capital expenditure</b>			
Boreholes		-	(68 507)
Bush cutting		(68 063)	-
Fuel pump		(124 545)	-
Guineafowl refurbishment		(163 857)	-
Insurance premiums		(203 048)	(229 796)
Motor vehicles		(662 416)	(112 145)
Ranger house		(18 825)	(349 971)
Refurbishment to buildings and fittings		(103 417)	(129 527)
Reserve maintenance		(593 844)	(376 600)
Tennis court resurfacing		-	(65 000)
		<b>(1 938 015)</b>	<b>(1 331 547)</b>
<b>Capital surplus</b>			
		<b>4 863 226</b>	<b>4 887 711</b>
<b>Other income</b>			
Interest received	15	204 377	165 607
Members service fee income		3 279 748	2 433 158
Recoveries		-	36 165
Recoveries from ancillary services rendered		4 603 820	4 420 049
Secretarial fees		68 000	36 000
		<b>8 155 945</b>	<b>7 090 979</b>
<b>Expenses (Refer to page 23)</b>			
		<b>(12 412 247)</b>	<b>(11 574 669)</b>
<b>Operating profit</b>			
Finance costs	14	<b>606 924</b>	<b>404 021</b>
	16	(20 823)	(52 143)
<b>Profit before taxation</b>			
Taxation	17	<b>586 101</b>	<b>351 878</b>
		(67 300)	(32 370)
<b>Profit for the year</b>			
		<b>518 801</b>	<b>319 508</b>

# Ingwelala Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2017

## Detailed Statement of Financial Performance

	Notes	2017 R	2016 R
<b>Operating expenses</b>			
Accounting fees		(2 389)	(2 370)
Auditor's remuneration	18	(156 929)	(147 485)
Bank charges		(182 360)	(174 838)
Cleaning		(36 122)	(44 359)
Consumables		(16 755)	(8 781)
Director related expenses		(38 903)	(31 822)
Education funding expenses		(20 940)	(19 500)
Employee costs		(6 152 510)	(5 569 760)
Expense incurred on ancillary services rendered		(3 381 261)	(3 250 295)
First Aid Costs		(12 807)	(6 356)
Lease rentals on operating lease		(19 888)	(18 439)
Legal expenses		(103 255)	(31 962)
Licence fees		(27 275)	(25 636)
Meeting expenses		(10 306)	(8 697)
Motor vehicle expenses		(374 690)	(365 167)
Petrol and oil		(60 969)	(53 388)
Printing and stationery		(60 146)	(50 346)
Repairs and maintenance		(665 145)	(749 257)
Secretarial fees		(2 735)	(1 129)
Security		(324 188)	(377 035)
Telephone, fax, wi-fi and website costs		(227 967)	(159 429)
Utilities		(530 837)	(475 038)
Web booking user fee		(3 870)	(3 580)
		<b>(12 412 247)</b>	<b>(11 574 669)</b>