

Annual financial statements

Silsan Properties Share Block Limited

Year ended 31 December 2018

Silsan Properties Share Block Limited

(Registration number 1982/001951/06)

Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Timeshare Share Block
Directors	H M Adams J E Gooderson M C Swart B R Warmback A B Ramsarup T A Forbes
Business address	85 O R Tambo Parade (Marine Parade) Durban 4001
Postal address	P O Box 10748 O R Tambo Parade 4056
Bankers	First National Bank Limited
Auditors	SNG Grant Thornton Chartered Accountants (S.A.) Registered Auditors South African member of Grant Thornton International
Management	GDS Investments Proprietary Limited
Company registration number	1982/001951/06
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa (No. 71 of 2008).
Supervisor	The financial statements were prepared under the supervision of: J Lakaram (Financial Manager)
Preparer	AFS Compilers Proprietary Limited
Published	03 June 2019

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Independent Auditor's Report
To the shareholders of
Silsan Properties Share Block Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Silsan Properties Share Block Limited set out on pages 7 to 17, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other 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 Silsan Properties Share Block Limited as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with the 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 (ISAs). 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 Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of 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 of South Africa and the supplementary information set out on pages 18 to 21. 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 the 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.



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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 ISAs 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 ISAs, 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.

SNG GRANT THORNTON

Registered Auditors

Practice Number: 946016

per A Timol

Registered Auditor

Director

SizweNtsalubaGobodo Grant Thornton Inc.

3 June 2019

2nd Floor

4 Pencarrow Crescent

Pencarrow Park

La Lucia Ridge Office Estate

4019

Silsan Properties Share Block Limited

(Registration number 1982/001951/06)

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa (No. 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 judgments 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 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 31 December 2019 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 board of directors is responsible for the financial affairs of the company.

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 7 to 17, which have been prepared on the going concern basis, were approved by the board on 03 June 2019 and were signed on its behalf by



Director



Director

Certificate by the company secretary

In terms of the Companies Act of South Africa (No. 71 of 2008), I certify that the company has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required by the Companies Act and all such returns are true, correct and up-to date.



for: GDS Investments Proprietary Limited

Durban

03 June 2019

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Directors' Report

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

1. Review of activities

Main business and operations

The company owns the land and buildings which are utilised by the members on a time share basis with respective members' time interest being apportioned through the issue of shares according to the Use agreement. The Use agreement provides for the following:

- Shares are issued in predefined blocks which are linked by use and occupation agreements relating to specific periods of the year and chalets.
- Linked to the respective share blocks are obligations on the share block owners to make loans to the company.
- Obligations on share block owners to contribute levies in proportion to their shareholding to enable the company to defray its expenditure.

The levy surplus for the year amounted to R 160 947 (2017: Surplus R 87 569).

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Changes
H M Adams	
J E Gooderson	
M C Swart	
B R Warmback	
A B Ramsarup	
T A Forbes	Appointed 27 September 2018

5. Management

GDS Investments Proprietary Limited is the managing agent of the timeshare operations.

6. Auditors

SNG Grant Thornton will continue in office in accordance with section 90 of the Companies Act of South Africa (No. 71 of 2008).

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Statement of Financial Position

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	24 408	40 992
Net financial asset	3	6 463	6 463
		<u>30 871</u>	<u>47 455</u>
Current Assets			
Current tax receivable		61 564	8 235
Accounts receivable	5	555 262	692 562
Cash and cash equivalents	6	3 061 459	3 571 896
		<u>3 678 285</u>	<u>4 272 693</u>
Total Assets		<u>3 709 156</u>	<u>4 320 148</u>
Equity and Liabilities			
Equity			
Share capital	7	6 463	6 463
Future maintenance reserve		2 446 218	2 124 843
Accumulated levy deficit		(122 679)	(283 626)
		<u>2 330 002</u>	<u>1 847 680</u>
Liabilities			
Current Liabilities			
Accounts payable	9	1 379 154	2 472 468
Total Equity and Liabilities		<u>3 709 156</u>	<u>4 320 148</u>

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Levy Statement

Figures in Rand	Note(s)	2018	2017
Levy Income		6 466 363	6 679 085
Other income		168 924	289 955
Operating expenses		(6 758 856)	(7 326 070)
Levy deficit before interest and taxation	10	(123 569)	(357 030)
Net interest received		361 577	573 275
Levy surplus before taxation		238 008	216 245
Taxation	11	(77 061)	(128 676)
Levy surplus for the year		160 947	87 569

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Statement of Changes in Equity

	Share capital	Future maintenance reserve	Accumulated levy deficit	Total equity
Figures in Rand				
Balance at 01 January 2017	6 463	3 032 394	(371 195)	2 667 662
Changes in equity				
Levy surplus for the year	-	-	87 569	87 569
Maintenance reserve net of acquisitions	-	(2 425 639)	-	(2 425 639)
Transfer to reserve	-	1 518 088	-	1 518 088
Total changes	-	(907 551)	87 569	(819 982)
Balance at 01 January 2018	6 463	2 124 843	(283 626)	1 847 680
Changes in equity				
Levy surplus for the year	-	-	160 947	160 947
Maintenance reserve net of acquisitions	-	(702 923)	-	(702 923)
Transfer to reserve	-	1 024 298	-	1 024 298
Total changes	-	321 375	160 947	482 322
Balance at 31 December 2018	6 463	2 446 218	(122 679)	2 330 002
Note(s)	7	8		

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Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows generated from operating activities			
Levies received from members		6 520 757	6 630 213
Cash paid to suppliers and employees		(6 551 291)	(4 614 111)
Cash (used in) generated from operations	13	(30 534)	2 016 102
Interest income		361 577	573 275
Tax paid	12	(130 390)	(161 499)
Net cash generated from operating activities		200 653	2 427 878
Cash flows used in investing activities			
Acquisition of computer equipment	2	(6 898)	(4 765)
Acquisition of office equipment	2	(1 269)	-
Acquisition of furniture and fittings expended out of the maintenance reserve		(702 923)	(2 425 639)
Net cash used in investing activities		(711 090)	(2 430 404)
Net decrease in cash and cash equivalents		(510 437)	(2 526)
Cash and cash equivalents at the beginning of the year		3 571 896	3 574 422
Cash and cash equivalents at the end of the year	6	3 061 459	3 571 896

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Accounting Policies

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 of South Africa (No. 71 of 2008). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

As opposed to capitalising and depreciating additions to timeshare units, the directors maintain a maintenance reserve against which acquisitions are charged and into which an annual provision for future replacement is transferred by means of a charge from levy income. This annual transfer is assessed by the directors on a best estimate basis bearing in mind the age and expected useful life of the assets.

These accounting policies are consistent with the previous period.

1.1 Levy income

Represents levies received against timeshare unit holders, net of value added taxation, to defray operating costs, plus sundry sales and recovery of expenses.

1.2 Property and furnishings

A maintenance reserve is maintained into which the company transfers a replacement provision based on the "whole life/remaining life" principle and against which future acquisitions are charged.

1.3 Property, plant and equipment

For depreciable assets, initial and subsequently recognised costs are componentized in order to substantially reflect the useful lives of the significant asset components.

The residual value represents the best estimates of the current recoverable amount of the asset at the end of its useful life.

Depreciation is charged to write off the cost of the assets over their estimated useful lives, using the straight-line method.

Useful lives and depreciation are re-assessed annually. The following are the current estimated useful lives:

Item	Average useful life
Motor vehicles	5 years
Office equipment	6 years
Computer equipment	3 years
Furniture and fittings	5 years
Laundry equipment	5 years

1.4 Financial instruments

Financial instruments recognised on the statement of financial position include cash resources, trade and other receivables, levy debtors, interest and non-interest borrowings and trade and other payables.

1.5 Taxation

Taxation represents the taxation charge levied by the South African Revenue Service against the company's taxable income. In view of the nature of the company's operations (share block) the company's taxable income is not representative of its net levy surplus, but rather limited to the non-levy income net of expenses incurred in the generation thereof as controlled by section 10 (1)(e) of the income tax act.

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Accounting Policies

1.6 Provisions

Provisions are recognised when:

- the company has an obligation at the reporting period 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 directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

1.7 Employee benefits

Defined contribution plans

The cost of all short term employee benefits, such as salaries, medical and other contributions is recognised in the period during which the employee renders the related service.

1.8 Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The nature of these estimation assumptions is inherently long-term and future experience may result in actual amounts differing from these estimates as applied in the reported financial results.

Useful lives and residual values of tangible assets

The estimates of useful lives as translated into depreciation rates detailed in the property, plant and equipment policy above. These rates and the residual values of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the hospitality industry.

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Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	105 984	(97 883)	8 101	99 086	(89 952)	9 134
Furniture and fittings	10 160	(9 392)	768	10 160	(8 953)	1 207
Motor vehicles	50 452	(50 452)	-	50 452	(50 452)	-
Office equipment	40 248	(38 996)	1 252	38 979	(38 494)	485
Laundry equipment	79 393	(65 106)	14 287	79 393	(49 227)	30 166
Total	286 237	(261 829)	24 408	278 070	(237 078)	40 992

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Computer equipment	9 134	6 898	(7 931)	8 101
Furniture and fittings	1 207	-	(439)	768
Office equipment	485	1 269	(502)	1 252
Laundry equipment	30 166	-	(15 879)	14 287
	40 992	8 167	(24 751)	24 408

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Computer equipment	11 233	4 765	(6 864)	9 134
Furniture and fixtures	1 710	-	(503)	1 207
Office equipment	907	-	(422)	485
Laundry equipment	46 045	-	(15 879)	30 166
	59 895	4 765	(23 668)	40 992

Details of property

Freehold land and fully furnished buildings known as "Silversands 1", consisting of holiday flats and described as Portion 49, Erf 10054, Durban, Registration Division FU, Province of KwaZulu-Natal, in extent 332 square meters.

Land and buildings were originally purchased for R 1 609 287 and are not recognised because although the company has legal title to the property it effectively only owns the bare dominium over the property which is considered to be of no value.

The directors are of the opinion that, as the property is not held as an investment, it would serve no purpose to reflect the open market value of the property.

The company's capital is divided into share blocks and each share block gives the holder the right to occupy a particular portion of the company's property for a specified period of each year.

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
3. Net financial asset		
Share block holders' unsecured loans	1 609 287	1 609 287
The loans are unsecured, interest free and repayable on the sale of the land and buildings and subsequent dissolution of the company.		
Right of use of property vested in members	(1 602 824)	(1 602 824)
These loans are not repayable within the next twelve months. The loans represent the funds advanced by members to finance the initial acquisition of land, buildings and furniture and fittings. The loans are only repayable on the sale of the land and buildings and subsequent dissolution of the company. Any repayment under these circumstances will be directly proportional to the funds received on the sale of the tangible assets of the company.		
	<u>6 463</u>	<u>6 463</u>
Non-current assets		
At amortised cost	<u>6 463</u>	<u>6 463</u>
4. Retirement benefits		
It is the policy of the company to provide retirement benefits to its employees. During the year the company contributed R 128 215 (2017: R 104 611) to the plan, which is administered by the Orion Pension Fund. The assets of the plan are administered by the trustees in a fund independent of the company. All members pay fixed contributions to the fund and the company makes a similar contribution.		
5. Accounts receivable		
Levy debtors - net of doubtful debts	238 897	293 291
Other receivables	113 470	148 625
Prepayments	20 783	72 783
Value Added Taxation	182 112	177 863
	<u>555 262</u>	<u>692 562</u>
Levy debtors outstanding for 2 years or longer are written off in full. A provision for doubtful debts is raised for outstanding levies relating to the preceding 24 months. The provision is based on specific debtor profiles.		
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>3 061 459</u>	<u>3 571 896</u>

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
7. Share capital		
Authorised		
6 463 Ordinary shares of R 1 each	6 463	6 463
Issued		
6 463 Ordinary shares at R 1 each	6 463	6 463
<p>The share capital of the company is divided into share blocks and each share block gives the holder the right to occupy a particular portion of the company's property for a specified period each year.</p>		
8. Future maintenance reserve		
Balance at 1 January 2018	2 124 843	3 032 394
Utilisation of reserve fund	(702 923)	(2 425 639)
Current provision for future maintenance and replacements	1 024 298	1 518 088
	2 446 218	2 124 843
9. Accounts payable		
Leave and bonus pay provision	35 428	36 327
Levies received in advance	1 111 814	1 222 991
Other payables	231 912	1 213 150
	1 379 154	2 472 468
<p>The leave pay provision is raised to cover the company's exposure to accrued leave at the year end. This provision will be incurred to the extent of an employee leaving the employment of the company. The bonus provision is determined at the directors' discretion based on the financial performance of the shareblock.</p>		
10. Levy deficit before interest and taxation		
<p>Levy deficit before interest and taxation for the year is stated after accounting for the following:</p>		
Charges		
Auditor's remuneration	46 100	45 150
Management fee	1 032 092	964 240
Annual returns / Secretarial fees	339	450
Provision for future maintenance and replacements	1 024 298	1 518 088
Bad debts	85 000	230 756
11. Taxation		
Current		
Local income tax - current period	77 061	128 676

The share block is taxed in accordance with section (10)(l)(e) of the Income Tax Act, accordingly, only non-levy income is subject to taxation (above R 50 000).

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
12. Tax paid		
Balance at beginning of the year	8 235	(24 588)
Current tax for the year recognised in surplus or deficit	(77 061)	(128 676)
Balance at end of the year	(61 564)	(8 235)
	<u>(130 390)</u>	<u>(161 499)</u>
13. Cash (used in) generated from operations		
Levy surplus before taxation	238 008	216 245
Adjustments for:		
Depreciation	24 751	23 668
Interest received	(361 577)	(573 275)
Changes in working capital:		
Provision for future maintenance reserve	1 024 298	1 518 088
Trade and other receivables	35 155	(31 430)
Prepayments	52 000	(62 003)
Levies received in advance	(111 177)	74 826
Levy debtors	151 878	(98 677)
Value Added Taxation	(4 249)	(22 041)
Trade and other payables	(981 238)	925 175
Provision for doubtful debts	(107 484)	49 805
Leave and bonus pay provision	(899)	(4 279)
	<u>(30 534)</u>	<u>2 016 102</u>
14. Related parties		
Related party balances		
Related party transactions		
The related party transactions have been entered into with the company and/or enterprises in which certain of the directors or their close family members have significant or controlling interest. These transactions are entered into on an arm's length basis and in certain instances are limited to the accounts per the budget as approved by the members.		
GDS Investments Proprietary Limited		
Management fee	1 032 092	964 240
Operating fees	71 220	67 200
Computer maintenance	2 340	2 160
Alawill Investments Proprietary Limited		
IT fees	12 300	11 580
Leading Hospitality Solutions Proprietary Limited		
Linen replacements	14 626	78 211
Security services	146 527	67 500
Goodtime Developments Proprietary Limited		
Refurbishment of units	78 763	1 716 352

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Notes to the Annual Financial Statements

15. Capital commitment

Approved commitments

The company has jointly committed itself with Siltwo Share Block Limited and Silthree Share Block Limited to jointly construct a pool and entertainment area for the use of the resident owners of respective companies.

Whilst no contracts have as yet been concluded in this regard, the directors have approved a joint expenditure of R 1 000 000. Based on this estimate, Silsan Properties Share Block Limited's exposure, net of recoveries from the two other parties, amounts to R 333 334.

This expenditure is to be financed out of current cash reserves.

16. Financial Risk Management

The financial instruments of the company consist primarily of cash deposits with banks, trade payables and borrowings. The carrying value of financial instruments approximates their fair value, determined in accordance with the accounting policies of the company.

In the normal course of its operations, the company is exposed to credit risk, interest rate risk and property holding risk.

Credit risk

Trade receivables comprise of levy income outstanding. At 31 December 2018 the company does not consider there to be any material credit risk that has not been adequately provided for.

Interest rate risk

Fluctuations in the interest rates impact on the returns derived from short term bank deposits as well as cost of financing activities, giving rise to interest rate risk.

Property risk

The company is exposed to potential losses as a result of damage to the company's land and buildings. This is covered by maintenance of appropriate insurance cover which is reviewed on an annual basis.

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Detailed Levy Statement

Figures in Rand	Note(s)	2018	2017
Revenue			
Levy income		6 466 363	6 679 085
Other income			
Discount received		15 237	15 051
Interest received	I	361 577	573 275
Rental income - Letting		144 556	271 497
Sundry income		9 131	3 407
		530 501	863 230
Operating expenses			
Administration and management fees	A	(1 364 998)	(1 439 742)
Cleaning	B	(125 163)	(109 946)
Communication	C	(37 199)	(34 590)
Owners entertainment	D	(161 939)	(138 559)
Remuneration	E	(2 115 264)	(1 991 292)
Repairs and maintenance	F	(481 219)	(519 466)
Travel and entertainment	G	16 456	14 064
Utilities	H	(1 465 232)	(1 588 451)
Provision for future replacements and refurbishments		(1 024 298)	(1 518 088)
		(6 758 856)	(7 326 070)
Levy surplus before taxation		238 008	216 245
Taxation	11	(77 061)	(128 676)
Levy surplus for the year		160 947	87 569

Silsan Properties Share Block Limited

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Annual Financial Statements for the year ended 31 December 2018

Supplementary Schedules to the Financial Statements

Figures in Rand	2018	2017
A. Administration expenses		
AGM / Meeting costs	736	731
Annual secretarial returns	339	450
Auditors' remuneration	46 100	45 150
Bad debts	72 040	229 528
- Written off	85 000	230 756
- Recoveries	(12 960)	(1 228)
Bank charges	34 366	39 399
Computer maintenance	34 626	32 094
Depreciation	24 751	23 668
Insurance – building	59 692	60 972
Legal fees	22 319	12 537
Legal fees recovery	(2 857)	(5 623)
Management fee	1 032 092	964 240
Postage, printing and stationery	34 762	34 967
Professional fees – building revaluation	4 500	-
RCI Award function	1 532	1 629
	<u>1 364 998</u>	<u>1 439 742</u>
B. Cleaning		
Laundry expenses	42 908	45 104
Laundry equipment – repairs and maintenance	3 385	3 645
Guest supplies	83 288	64 100
Laundry income – guests	(5 221)	(5 418)
Laundry costs - guests	803	2 515
	<u>125 163</u>	<u>109 946</u>
C. Communication		
Cellphone	1 089	1 093
Facsimile	1 169	1 271
House calls	7 830	7 252
Line rental	19 694	19 546
Wi-Fi	1 211	325
Maintenance - PABX	6 206	5 103
	<u>37 199</u>	<u>34 590</u>

Silsan Properties Share Block Limited

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Supplementary Schedules to the Financial Statements

Figures in Rand	2018	2017
D. Owners entertainment		
Levy – games room	9 579	8 910
Guest games – toys	458	1 030
Guest games – income	(1 174)	(1 792)
Multichoice expenses	125 252	120 247
Television licences	27 824	10 164
	<u>161 939</u>	<u>138 559</u>
E. Remuneration		
Travel	969	930
Refreshments and staff welfare	2 325	2 313
Operation fees	71 220	67 200
Salaries and wages	1 049 511	989 363
Contract – East Coast Hospitality	820 582	769 596
Security services	156 841	144 274
Staff sundry costs	1 325	950
Staff training	393	2 100
Uniforms	7 825	7 099
Workmen's compensation insurance	4 273	7 467
	<u>2 115 264</u>	<u>1 991 292</u>
F. Repairs and maintenance		
Flat maintenance	167 491	195 917
Flat replacement	42 989	39 510
- expense	53 839	48 892
- recovery	(10 850)	(9 382)
Gardens and decorating	5 780	5 407
Lift maintenance	84 607	102 751
Airconditioning maintenance	38 990	38 375
Linen replacements	45 130	42 303
Office equipment	6 634	5 769
Pest control	12 759	12 572
Security cameras	-	52 415
Television	34 263	19 473
Water tanks	42 576	3 974
	<u>481 219</u>	<u>519 466</u>

Silsan Properties Share Block Limited

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Annual Financial Statements for the year ended 31 December 2018

Supplementary Schedules to the Financial Statements

Figures in Rand	2018	2017
G. Travel and entertainment		
Entertainment	1 546	1 203
Fuel and oil	11 595	10 626
Repairs and maintenance	7 625	1 980
Licences	275	243
Wheel clamps income	(18 798)	(10 070)
Recoveries	(18 699)	(18 046)
	<u>16 456</u>	<u>(14 064)</u>
H. Utilities		
Electricity	345 520	298 383
Electricity contribution to Siltwo Share Block Limited	63 600	60 000
Rates	675 874	897 565
Refuse	3 902	3 931
Rental encroachment	2 804	2 804
Water	373 532	325 768
	<u>1 465 232</u>	<u>1 588 451</u>
I. Net interest received		
Bank	6 173	19 475
Investments	290 392	405 857
Debtors	65 012	147 933
	<u>361 577</u>	<u>573 275</u>