

Annual financial statements

Silthree Share Block Limited

Year ended 31 December 2018

Silthree Share Block Limited

(Registration number 1954/000441/06)

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	1954/000441/06
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
Silthree Share Block Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Silthree 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 Silthree 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.



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

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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: GFS 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 465 713 (2017: Surplus R 267 056).

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	23 425	39 333
Net financial asset	3	87 765	87 765
		<u>111 190</u>	<u>127 098</u>
Current Assets			
Accounts receivable	4	683 726	610 199
Cash and cash equivalents	5	3 812 919	3 889 482
		<u>4 496 645</u>	<u>4 499 681</u>
Total Assets		<u>4 607 835</u>	<u>4 626 779</u>
Equity and Liabilities			
Equity			
Share capital	6	87 765	87 765
Future maintenance reserve	7	2 070 279	2 653 833
Accumulated levy surplus (deficit)		316 707	(149 006)
		<u>2 474 751</u>	<u>2 592 592</u>
Liabilities			
Current Liabilities			
Current tax payable		488 857	526 643
Accounts payable	8	1 644 227	1 507 544
		<u>2 133 084</u>	<u>2 034 187</u>
Total Equity and Liabilities		<u>4 607 835</u>	<u>4 626 779</u>

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Levy Statement

Figures in Rand	Note(s)	2018	2017
Levy Income		6 377 259	5 866 881
Other income		179 986	261 974
Operating expenses		(6 424 678)	(6 250 292)
Levy surplus (deficit) before interest and taxation	9	132 567	(121 437)
Net interest received		434 710	493 367
Levy surplus before taxation		567 277	371 930
Taxation	10	(101 564)	(104 874)
Levy surplus for the year		465 713	267 056

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Statement of Changes in Equity

	Share capital	Future maintenance reserve	Accumulated levy surplus (deficit)	Total equity
Figures in Rand				
Balance at 01 January 2017	87 765	2 347 789	(416 062)	2 019 492
Changes in equity				
Levy surplus for the year	-	-	267 056	267 056
Maintenance reserve net of acquisitions	-	(199 422)	-	(199 422)
Transfer to reserve	-	505 466	-	505 466
Total changes	-	306 044	267 056	573 100
Balance at 01 January 2018	87 765	2 653 833	(149 006)	2 592 592
Changes in equity				
Levy surplus for the year	-	-	465 713	465 713
Maintenance reserve net of acquisitions	-	(1 361 261)	-	(1 361 261)
Transfer to reserve	-	777 707	-	777 707
Total changes	-	(583 554)	465 713	(117 841)
Balance at 31 December 2018	87 765	2 070 279	316 707	2 474 751
Note(s)	6	7		

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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		6 358 680	5 817 605
Cash paid to suppliers and employees		(5 361 174)	(5 815 450)
Cash generated from operations	12	997 506	2 155
Interest income		434 710	493 367
Taxation paid	11	(139 350)	(125 217)
Net cash generated from operating activities		1 292 866	370 305
Cash flows used in investing activities			
Acquisition of computer equipment	2	(6 898)	(2 765)
Acquisition of office equipment	2	(1 270)	-
Acquisition of property, furnishings and equipment out of the maintenance reserve		(1 361 261)	(199 422)
Net cash used in investing activities		(1 369 429)	(202 187)
Net (decrease) increase in cash and cash equivalents		(76 563)	168 118
Cash and cash equivalents at the beginning of the year		3 889 482	3 721 364
Total cash and cash equivalents at end of the year	5	3 812 919	3 889 482

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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 componentised 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 receivables and non-interest borrowing.

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 a present 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 statement of financial position 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	89 037	(82 111)	6 926	82 139	(74 855)	7 284
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	96 513	(95 069)	1 444	95 243	(94 567)	676
Laundry equipment	79 393	(65 106)	14 287	79 393	(49 227)	30 166
Total	325 555	(302 130)	23 425	317 387	(278 054)	39 333

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Computer equipment	7 284	6 898	(7 256)	6 926
Furniture and fittings	1 207	-	(439)	768
Office equipment	676	1 270	(502)	1 444
Laundry equipment	30 166	-	(15 879)	14 287
	39 333	8 168	(24 076)	23 425

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Computer equipment	11 222	2 765	(6 703)	7 284
Furniture and fittings	1 710	-	(503)	1 207
Office equipment	1 098	-	(422)	676
Laundry equipment	46 045	-	(15 879)	30 166
	60 075	2 765	(23 507)	39 333

Details of property

Freehold land and fully furnished buildings known as "Silversands 3", consisting of holiday flats and described as Portion 42, Erf 10054, Durban, Registration Division FU, Province of KwaZulu-Natal, in extent 458 square metres.

Land and buildings were originally purchased for R 2 545 185 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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Figures in Rand	2018	2017
3. Net financial asset		
Share block holders' unsecured loans	2 545 185	2 545 185
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	(2 457 420)	(2 457 420)
These loans are not repayable within the next 12 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>87 765</u>	<u>87 765</u>
Non-current assets		
At amortised cost	<u>87 765</u>	<u>87 765</u>
4. Accounts receivable		
Levy debtors - net of doubtful debts	210 560	191 981
Other receivables	131 653	170 688
Prepayments	11 336	61 067
Value Added Taxation	330 177	186 463
	<u>683 726</u>	<u>610 199</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 preceeding 24 months. The provision is based on specific debtor profiles.		
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>3 812 919</u>	<u>3 889 482</u>

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
6. Share capital		
Authorised		
87 765 Ordinary shares of R 1 each	87 765	87 765
Issued		
87 765 Ordinary shares at R 1 each	87 765	87 765
<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>		
7. Future maintenance reserve		
Balance at 1 January 2018	2 653 833	2 347 789
Utilisation of reserve fund	(1 361 261)	(199 422)
Current provision for future maintenance and replacements	777 707	505 466
	2 070 279	2 653 833
8. Accounts payable		
Leave and bonus pay provision	36 943	36 327
Levies received in advance	1 444 909	1 296 972
Other payables	162 375	174 245
	1 644 227	1 507 544
<p>The leave pay provision is raised to cover the company's exposure to accrued leave at year end. This provision will be incurred to the extent of an employee leaving the employment of the company. The bonus provision will be incurred annually.</p>		
9. Levy surplus (deficit) before interest and taxation		
<p>Levy surplus (deficit) before interest and taxation is stated after accounting for the following:</p>		
Charges		
Auditor's remuneration	46 100	45 150
Management fee	1 021 502	947 666
Annual returns / Secretarial fees	339	450
Provision for future maintenance and replacements	777 707	505 466
Bad debts	179 000	134 044
10. Taxation		
Current		
Local income tax - current period	101 564	104 874

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

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
11. Tax paid		
Balance at beginning of the year	(526 643)	(546 986)
Current tax for the year recognised in surplus or deficit	(101 564)	(104 874)
Balance at end of the year	488 857	526 643
	(139 350)	(125 217)
12. Cash generated from operations		
Levy surplus before taxation	567 277	371 930
Adjustments for:		
Depreciation	24 076	23 507
Interest received	(434 710)	(493 367)
Changes in working capital:		
Provision for future maintenance reserve	777 707	505 466
Levies received in advance	147 937	(228 486)
Trade and other receivables	39 035	(26 501)
Levy debtors	38 844	(89 089)
Prepayments	49 731	(50 720)
Leave and bonus pay provision	616	(4 509)
Trade and other payables	(11 870)	(18 555)
Value Added Taxation	(143 714)	(27 334)
Provision for bad debts	(57 423)	39 813
	997 506	2 155
13. 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	1 021 502	947 666
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	9 809	17 335
Security services	289 660	135 000
Goodtime Developments Proprietary Limited		
Relurbishments of units	1 009 456	-

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Notes to the Annual Financial Statements

14. Contingent liability

The company has a contingent liability in respect of an Electricity deposit in favour of eThekweni Metro amounting to R 111 636.

15. Capital commitment

Approved commitments

The company has jointly committed itself with Silsan Properties Share Block Limited and Siltwo 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, Silthree 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		6 377 259	5 866 881
Other income			
Discount received		5 197	6 163
Net interest received	i	434 710	493 367
Rental income - Letting		165 658	252 404
Sundry income		9 131	3 407
		614 696	755 341
Operating expenses			
Administration expenses	A	(1 452 597)	(1 301 308)
Cleaning	B	(119 970)	(102 041)
Communication	C	(52 081)	(48 828)
Owners entertainment	D	(136 864)	(130 507)
Remuneration	E	(2 258 398)	(2 124 762)
Repairs and maintenance	F	(482 810)	(480 362)
Travel and entertainment	G	13 901	14 068
Utilities	H	(1 158 152)	(1 571 086)
Provision for future replacements and refurbishments		(777 707)	(505 466)
		(6 424 678)	(6 250 292)
Levy surplus before taxation		567 277	371 930
Taxation	10	(101 564)	(104 874)
Levy surplus for the year		465 713	267 056

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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 expenses	736	731
Annual secretarial returns	339	450
Auditors' remuneration	46 100	45 150
Bad debts	162 943	119 974
- written off	179 000	134 044
- recoveries	(16 057)	(14 070)
Bank charges	36 071	32 187
Computer maintenance	37 595	31 486
Depreciation	24 076	23 507
Insurance – building	65 237	60 195
Legal fees	20 826	12 232
Legal fees recovery	(2 621)	(6 172)
Management fee	1 021 502	947 666
Postage, printing and stationery	33 761	32 273
Professional services – building revaluation	4 500	-
RCI Award function	1 532	1 629
	<u>1 452 597</u>	<u>1 301 308</u>
B. Cleaning		
Laundry expenses	42 908	45 104
Laundry equipment – repairs and maintenance	3 384	3 645
Guest supplies	78 096	56 195
Laundry income – guests	(5 221)	(5 418)
Laundry costs - guests	803	2 515
	<u>119 970</u>	<u>102 041</u>
C. Communication		
Cellphone	1 089	1 093
Facsimile	1 168	1 271
House calls	7 830	7 252
Line rental	28 799	28 583
Wi-Fi	2 350	1 601
Maintenance - PABX	10 845	9 028
	<u>52 081</u>	<u>48 828</u>

Silthree Share Block Limited

Registration number 1954/000441/06

Annual Financial Statements for the year ended 31 December 2018

Supplementary Schedules to the Financial Statements

Figures in Rand	2018	2017
D. Owners entertainment		
Guest games and entertainment	1 546	1 203
Guest games – toys	458	1 031
Guest games – income	(1 174)	(1 792)
Levy – games room	9 579	8 910
Multichoice expenses	116 713	112 049
Television licences	9 742	9 106
	<u>136 864</u>	<u>130 507</u>
E. Remuneration		
Directors' expenses	969	930
Refreshments and staff welfare	2 325	2 228
Operation fees	71 220	67 200
Salaries and wages	1 049 511	989 133
Cleaning contract	820 582	769 834
Security services	299 976	277 821
Staff sundry costs	1 325	950
Staff training	393	2 100
Uniforms	7 824	7 099
Workmen's compensation insurance	4 273	7 467
	<u>2 258 398</u>	<u>2 124 762</u>
F. Repairs and maintenance		
Fiat maintenance	159 868	208 152
Fiat replacement	34 279	44 121
- expense	40 319	52 135
- recovery	(6 040)	(8 014)
Gardens and decorating	8 627	8 070
Lift maintenance	61 776	62 147
Linen replacements	43 506	42 784
Office equipment	6 634	5 769
Pest control	11 829	11 647
Security cameras	-	52 415
Television	20 782	14 057
Maintenance - water tanks	28 334	-
Maintenance - airconditioners	32 215	31 200
Window maintenance	74 960	-
	<u>482 810</u>	<u>480 362</u>

Siltthree 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		
Fuel and oil	11 595	10 628
Repairs and maintenance	7 626	1 980
Recoveries	(18 700)	(18 046)
Licence	275	243
Wheel clamps income	(14 697)	(8 873)
	<u>(13 901)</u>	<u>(14 068)</u>
H. Utilities		
Electricity	407 077	371 010
Electricity contribution to Siltwo Share Block Limited	63 600	60 000
Rates and taxes	494 132	972 554
Refuse	3 865	3 335
Rental encroachment	1 826	1 826
Water	187 652	162 361
	<u>1 158 152</u>	<u>1 571 086</u>
I. Net interest received		
Bank	6 613	19 865
Investments	367 950	371 561
Debtors	60 147	101 941
	<u>434 710</u>	<u>493 367</u>