

Annual financial statements

Siltwo Share Block Limited

Year ended 31 December 2018

Siltwo Share Block Limited

(Registration number 1968/013792/06)

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	1968/013792/06
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
Siltwo Share Block Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Siltwo 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 Siltwo 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: 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 325 872 (2017: Surplus R 55 872).

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	55 849	72 423
Net financial asset	3	79 498	79 498
		<u>135 347</u>	<u>151 921</u>
Current Assets			
Current tax receivable		87 737	41 208
Accounts receivable	4	614 945	588 952
Cash and cash equivalents	5	6 412 367	5 586 200
		<u>7 115 049</u>	<u>6 216 360</u>
Total Assets		<u>7 250 396</u>	<u>6 368 281</u>
Equity and Liabilities			
Equity			
Share capital	6	79 498	79 498
Future maintenance reserve	7	4 425 591	3 726 271
Accumulated levy surplus		460 174	134 302
		<u>4 965 263</u>	<u>3 940 071</u>
Liabilities			
Current Liabilities			
Accounts payable	8	2 285 133	2 428 210
Total Equity and Liabilities		<u>7 250 396</u>	<u>6 368 281</u>

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Levy Statement

Figures in Rand	Note(s)	2018	2017
Levy Income		6 072 935	5 649 473
Other income		170 060	326 854
Operating expenses		(6 386 134)	(6 367 370)
Levy deficit before interest and taxation	9	(143 139)	(391 043)
Net interest received		628 139	612 617
Levy surplus before taxation		483 000	221 574
Taxation	10	(157 128)	(165 702)
Levy surplus for the year		325 872	55 872

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Statement of Changes in Equity

	Share capital	Future maintenance reserve	Accumulated levy surplus	Total equity
Figures in Rand				
Balance at 01 January 2017	79 498	3 062 403	78 430	3 220 331
Changes in equity				
Levy surplus for the year	-	-	55 872	55 872
Maintenance reserve net of acquisitions	-	(155 650)	-	(155 650)
Transfer to reserve	-	819 518	-	819 518
Total changes	-	663 868	55 872	719 740
Balance at 01 January 2018	79 498	3 726 271	134 302	3 940 071
Changes in equity				
Levy surplus for the year	-	-	325 872	325 872
Maintenance reserve net of acquisitions	-	(187 741)	-	(187 741)
Transfer to reserve	-	887 061	-	887 061
Total changes	-	699 320	325 872	1 025 192
Balance at 31 December 2018	79 498	4 425 591	460 174	4 965 263
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		5 949 003	5 659 812
Cash paid to suppliers and employees		(5 349 409)	(5 116 368)
Cash generated from operations	12	599 594	543 444
Interest income		626 139	612 617
Tax paid	11	(203 657)	(165 377)
Net cash generated from operating activities		1 022 076	990 684
Cash flows used in investing activities			
Acquisition of computer equipment	2	(6 898)	(4 765)
Acquisition of office equipment	2	(1 270)	-
Acquisition of furniture and fittings expended out of the maintenance reserve		(187 741)	(155 650)
Net cash used in investing activities		(195 909)	(160 415)
Net increase in cash and cash equivalents		826 167	830 269
Cash at the beginning of the year		5 586 200	4 755 931
Total cash at end of the year	5	6 412 367	5 586 200

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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	89 738	(81 638)	8 100	82 840	(73 715)	9 125
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	28 601	(27 157)	1 444	27 331	(26 656)	675
Laundry equipment	79 393	(65 106)	14 287	79 393	(49 227)	30 166
Pool - Work in progress	31 250	-	31 250	31 250	-	31 250
Total	289 594	(233 745)	55 849	281 426	(209 003)	72 423

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Computer equipment	9 125	6 898	(7 923)	8 100
Furniture and fittings	1 207	-	(439)	768
Office equipment	675	1 270	(501)	1 444
Laundry equipment	30 166	-	(15 879)	14 287
Pool - Work in progress	31 250	-	-	31 250
	72 423	8 168	(24 742)	55 849

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Computer equipment	11 221	4 765	(6 861)	9 125
Furniture and fittings	1 710	-	(503)	1 207
Office equipment	1 098	-	(423)	675
Laundry equipment	46 045	-	(15 879)	30 166
Pool - Work in progress	31 250	-	-	31 250
	91 324	4 765	(23 666)	72 423

Details of property

Freehold land and fully furnished buildings known as "Silversands 2", consisting of holiday flats and described as Portions 50 and 51, Erf 10054, Durban, Registration Division FU, Province of KwaZulu-Natal, in extent 756 square meters.

Land and building were originally purchased for R 2 066 948 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	2 066 948	2 066 948
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	(1 987 450)	(1 987 450)
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>79 498</u>	<u>79 498</u>
Non-current assets		
At amortised cost	<u>79 498</u>	<u>79 498</u>
4. Accounts receivable		
Levy debtors - net of doubtful debts	188 720	64 788
Other receivables	147 046	191 842
Prepayments	9 708	63 837
Value Added Taxation	269 471	268 485
	<u>614 945</u>	<u>588 952</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.		
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	6 408 567	5 582 400
Cash on hand	3 800	3 800
	<u>6 412 367</u>	<u>5 586 200</u>

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Figures in Rand	2018	2017
6. Share capital		
Authorised		
79 498 Ordinary shares of R 1 each	79 498	79 498
Issued		
79 498 Ordinary shares at R 1 each	79 498	79 498
<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	3 726 271	3 062 403
Utilisation of reserve fund	(187 741)	(155 650)
Current provision for future maintenance and replacements	887 061	819 518
	4 425 591	3 726 271
8. Accounts payable		
Leave and bonus pay provision	157 392	139 125
Levies received in advance	1 887 697	2 201 732
Other payables	240 044	87 353
	2 285 133	2 428 210
<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 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	49 850	41 950
Management fee	1 024 360	968 943
Annual returns / Secretarial fees	450	450
Provision for future maintenance and replacements	887 061	819 518
Bad debts	60 000	60 000
10. Taxation		
Current		
Local income tax - current period	157 128	165 702

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	41 208	41 533
Current tax for the year recognised in surplus or deficit	(157 128)	(165 702)
Balance at end of the year	(87 737)	(41 208)
	(203 657)	(165 377)
12. Cash generated from operations		
Levy surplus before taxation	483 000	221 574
Adjustments for:		
Depreciation	24 742	23 666
Interest received	(626 139)	(612 617)
Changes in working capital:		
Provision for future maintenance reserve	887 061	819 518
Trade and other receivables	44 796	(40 310)
Prepayments	54 129	(52 928)
Levies received in advance	(314 035)	297 211
Leave and bonus pay provision	18 267	98 279
Levy debtors	(143 353)	10 602
Trade and other payables	152 691	(132 782)
Value Added Taxation	(986)	(88 506)
Provision for bad debts	19 421	(263)
	599 594	543 444
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 interests. 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	1 024 360	968 943
Operating fees	71 220	67 200
Computer maintenance	2 340	2 160
Alawill Investments Proprietary Limited		
IT fees	12 300	11 580
Leading Hospital Solutions Proprietary Limited		
Linen replacements	13 738	15 694
Security services	146 257	67 500

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Notes to the Annual Financial Statements

14. Contingent liability

The company has a contingent liability in respect of Electricity deposit in favour of eThekweni Metro amounting to R 138 799.

15. Capital commitment

Approved commitments

The company has jointly committed itself with Silsan Properties 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, Siltwo 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		6 072 935	5 649 473
Other income			
Discount received		5 365	5 948
Interest received	I	626 139	612 617
Rental income - Letting		155 564	317 499
Sundry income		9 131	3 407
		796 199	939 471
Operating expenses			
Administration and management fees	A	(1 366 337)	(1 260 362)
Cleaning	B	(126 252)	(110 375)
Communication	C	(35 575)	(32 979)
Owners entertainment	D	(110 708)	(106 095)
Remuneration	E	(2 115 264)	(1 991 335)
Repairs and maintenance	F	(530 795)	(709 831)
Travel and entertainment	G	11 843	16 305
Utilities	H	(1 225 985)	(1 353 180)
Provision for future replacements and refurbishments		(887 061)	(819 518)
		(6 386 134)	(6 367 370)
Levy surplus before taxation		483 000	221 574
Taxation	10	(157 128)	(165 702)
Levy surplus for the year		325 872	55 872

Siltwo Share Block Limited

Registration number 1968/013792/06

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	450	450
Auditors' remuneration	49 850	41 950
Bad debts	47 925	45 063
- Written off	60 000	60 000
- Recoveries	(12 075)	(14 937)
Bank charges	30 812	30 148
Computer maintenance	34 626	31 986
Depreciation	24 742	23 666
Insurance – building	67 616	66 386
Legal fees	37 294	11 863
Legal fees recovery	(4 696)	(5 851)
Management fee	1 024 360	968 943
Postage, printing and stationery	37 012	34 487
Professional services – building revaluation	4 500	-
Timeshare office rental	9 579	8 911
RCI Award function	1 531	1 629
	1 366 337	1 260 362
B. Cleaning		
Laundry expenses	42 908	45 104
Laundry equipment – repairs and maintenance	3 385	3 645
Guest supplies	84 377	64 529
Laundry income – guests	(5 221)	(5 418)
Laundry costs - guests	803	2 515
	126 252	110 375
C. Communication		
Cellphone	1 090	1 093
Facsimile	1 168	1 271
House calls	7 830	7 252
Line rental	18 070	17 935
Wi-Fi	1 211	325
Maintenance - PABX	6 206	5 103
	35 575	32 979

Siltwo Share Block Limited

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Supplementary Schedules to the Financial Statements

Figures in Rand	2018	2017
D. Owners entertainment		
Guest games - toys	458	1 030
Guest games - income	(1 174)	(1 792)
Multichoice expenses	102 479	98 384
Television licences	8 945	8 473
	<u>110 708</u>	<u>106 095</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	989 123
Cleaning contract	820 582	769 880
Security services	156 842	144 273
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>2 115 264</u>	<u>1 991 335</u>
F. Repairs and maintenance		
Flat maintenance	142 710	220 119
Flat replacement	48 837	40 506
- expense	57 471	50 609
- recovery	(8 634)	(10 103)
Gardens and decorating	8 076	26 894
Lift maintenance	79 314	69 295
Airconditioner maintenance	49 964	57 250
Linen replacements	45 121	42 936
Office equipment	6 634	5 769
Pest control	9 516	9 348
Security cameras	1 818	47 466
Television	18 805	17 048
Window maintenance	120 000	173 200
	<u>530 795</u>	<u>709 831</u>

Siltwo Share Block Limited

Registration number 1968/013792/06

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	10 627
Repairs and maintenance	7 626	1 980
Licence	275	243
Motor vehicle – wheel clamp income	(14 185)	(12 312)
Recoveries – transport income	(18 700)	(18 046)
	<u>(11 843)</u>	<u>(16 305)</u>
H. Utilities		
Electricity	606 485	630 241
Electricity contribution to Siltwo Share Block Limited	63 600	60 000
Electricity recovery – SS1	(63 600)	(60 000)
Electricity recovery – SS2	(63 600)	(60 000)
Electricity recovery – SS3	(63 600)	(60 000)
Rates	552 985	652 650
Refuse	3 864	3 335
Rental encroachment	75	75
Water	189 776	186 879
	<u>1 225 985</u>	<u>1 353 180</u>
I. Net interest received		
Bank	7 207	26 839
Investments	485 300	454 235
Debtors	133 632	131 543
	<u>626 139</u>	<u>612 617</u>