
R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 1981/010237/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A private game reserve situated within the boundaries of the N'tsiri Nature Reserve, which is operated as a share block scheme for the sole benefit of its members.
Directors	CR Engelbrecht H Vlok CP Brink WL Tweedie CL Green MJ Smith
Registered office	Ntsiri Argyle Road Umbabat Hoedspruit 1380
Auditors	GL Palmer and Company Registered Auditors
Secretary	Michelle Goble
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MM Zackey CA(SA)
Issued	26 March 2021

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

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

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Independent Auditors' Report

To the Shareholders of R'Krantz Share Block (Proprietary) Limited

Opinion

We have audited the annual financial statements of R'Krantz Share Block (Proprietary) Limited (the company) set out on pages 9 to 18, which comprise the statement of financial position as at 28 February 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of R'Krantz Share Block (Proprietary) Limited as at 28 February 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 information included in the document titled "R'Krantz Share Block (Proprietary) Limited annual financial statements for the year ended 28 February 2021", which includes the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GL Palmer & Company
GLPALMER AND COMPANY
Registered Auditors
KP Christou CA(SA)
Partner
Johannesburg
26 March 2021



R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

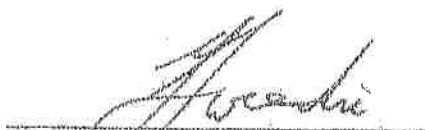
The directors have reviewed the company's cash flow forecast for the year to 28 February 2022 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 9 to 18, which have been prepared on the going concern basis, were approved by the directors on 26 March 2021 and were signed on its behalf by:



Director



Director

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of R'Krantz Share Block (Proprietary) Limited for the year ended 28 February 2021.

1. Nature of business

R'Krantz Share Block (Proprietary) Limited was incorporated on 21 October 1981 and obtained its certificate to commence business on the same day. The company operates in South Africa.

2. Review of financial results and activities

The company owns a private game reserve, situated in the Lowveld of the Limpopo Province within the boundaries of the N'tsiri Nature Reserve, which is operated as a share block scheme for the sole benefit of its members.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net Profit of the company was R70 750 (2020: Profit R119 888)

3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year which may materially effect the financial statements under review.

5. Authorised and issued share capital

There have been no changes to the authorised or issued share capital during the year under review (2020 - Nil).

6. Non-current assets

There were no changes in the nature of non-current assets of the company during the year under review.

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Directors' Report

7. Directors

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

<u>Directors</u>	<u>Changes</u>
CR Engelbrecht	Appointed 29 May 2019
H Vlok	Appointed 29 May 2019
CP Brink	Appointed 12 December 2019
WL Tweedie	Resigned on the 29 May 2019, but co-opted back on at the SGM on the 29 May 2019. Officially appointed on the 12 September 2019.
CL Green	Appointed 10 September 2020
MJ Smith	Appointed 10 September 2020
T van Wyk	Resigned 28 February 2021

8. Secretaries

The company secretary is Michelle Goble.

9. Auditors

GL Palmer and Company will continue in office in accordance with section 90 of the Companies Act of South Africa.

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
Annual Financial Statements for the year ended 28 February 2021

Statement of Financial Position

Figures in Rands	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	1	2 098 467	2 106 396
Total Assets		2 098 467	2 106 396
Equity and Liabilities			
Equity			
Issued capital	2	6 500	6 500
Share premium	2	1 161 768	1 161 768
Accumulated profit (loss)		161 581	90 831
		1 329 849	1 259 099
Liabilities			
Non-Current liabilities			
Long term loan	3	768 618	847 297
Total Equity and Liabilities		2 098 467	2 106 396

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
Annual Financial Statements for the year ended 28 February 2021

Statement of comprehensive Income

Figures in Rands	Note	2021	2020
Revenue			
Levies on members	4	5 850	5 850
Exit levy		113 625	127 012
		<u>119 475</u>	<u>132 862</u>
Expenditure			
		12 164	12 974
Annual duty		1 135	1 135
Secretarial fees		3 100	3 910
Depreciation		7 929	7 929
Assessed tax - prior years		(36 561)	-
Net profit for the year		<u>70 750</u>	<u>119 888</u>
(Shortfall) at beginning of year		90 831	(29 057)
Accumulated profit (loss) at end of year		<u><u>161 581</u></u>	<u><u>90 831</u></u>

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
 Annual Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

Figures in Rands	Share Capital	Share premium	Accumulated profit (loss)	Total Equity
Balance at 1 March 2019	6 500	1 161 768	(29 057)	1 139 211
Net profit for the year			119 888	119 888
Balance at 1 March 2020	6 500	1 161 768	90 831	1 259 099
Net profit for the year			70 750	70 750
Balance at 28 February 2021	6 500	1 161 768	161 581	1 329 849

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

Figures in Rands

	2021	2020
Cash flows from operating activities		
Net profit for the year	70 750	119 888
Adjusted for:		
Depreciation	7 929	7 929
Net cash inflow from operating activities	<u>78 679</u>	<u>127 817</u>
Cash flows from investing activities		
Movement in associated company loans	(78 679)	(127 817)
Net cash (outflow) from investing activities	<u>(78 679)</u>	<u>(127 817)</u>
Net (decrease) / increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1 Presentation of Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities applicable to the share block industry in South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

These accounting policies are consistent with those applied in the previous year.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Item	Average useful life
Land	infinity
Building	50 years
All other assets	5 years

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

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

Houses constructed on the Company's property by shareholders, at their own cost, in terms of Use Agreement and on sites determined by the board of directors, have not been capitalised by the company.

No depreciation has been raised in respect of the buildings as the estimated residual value of the respective buildings exceed their carrying value.

1.2 Taxation

The company is a share block company and it is the practice of the South African Revenue Service to treat the levy income of these companies in terms of Section 10(1)e of the income Tax Act.

1.3 Share capital and equity

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

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.4 Cash flows statement

The cash flow statement is prepared on the direct method, whereby the major classes of gross cash receipts and gross cash payments are disclosed.

1.5 Revenue

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

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

1.6 Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review by the directors of future commitments. Cash flow forecasts are prepared and adequate utilised levies are monitored.

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rands

1. Plant and equipment

The remaining portion of the farm Roodekrantz 27, registration division KU, Limpopo province, measuring one thousand one hundred and eighty four comma three four eight two hectares (1 184,3482) with buildings thereon, acquired on 26 October 1982 and held under Deed of transfer No. T6694/83 specially subject to Deed of Cession whereby rights to minerals and ancillary rights relating to mining and prospecting were ceded in favour of African Gold and Base Metal Holdings Ltd. The Department of Mineral and Energy Affairs of the Republic of South Africa act as custodian of these rights.

The directors passed a resolution on 11 December 2003 to proceed with a court action out of the High court of the Republic of South Africa Plaas Ros se Bos (Pty) Limited and Lions Walk (Pty) Limited and/or its successors in title. The action being instituted is to prohibit Lions Walk (Pty) Limited from obtaining via necessitate over a portion of the company's freehold land. This action is continuing. An amount of R200 000 was recovered from The Willy's Trust (Pty) Ltd being a partial refund of legal costs. This amount has been paid to Klaserie Private Nature Reserve to upgrade the cutline.

1.1. Property, Plant and Equipment

	<u>Cost/ valuation</u> R	<u>2021 Accumulated depreciation</u> R	<u>Carrying value</u> R	<u>Cost/ valuation</u> R	<u>2020 Accumulated depreciation</u> R	<u>Carrying value</u> R
- Company						
Land and buildings	2 093 182	-	2 093 182	2 093 182	-	2 093 182
Boma at pool	107 010	102 254	4 756	107 010	95 120	11 890
Braai facility at pool	11 924	11 395	529	11 924	10 600	1 324
Swimming pool filter & equipment	11 021	11 021	-	11 021	11 021	-
	<u>2 223 137</u>	<u>124 670</u>	<u>2 098 467</u>	<u>2 223 137</u>	<u>116 741</u>	<u>2 106 396</u>

1.2 Freehold land & buildings at cost, including transfer costs

	<u>2021</u> R	<u>2020</u> R
Original cost in 1982	623 329	623 329
Additions in 1984	10 832	10 832
Additions in 1990	6 787	6 787
Additions in 1991	22 990	22 990
Additions in 2003/05	1 385 259	1 385 259
Total cost of land and buildings	<u>2 049 197</u>	<u>2 049 197</u>
Swimming pool	43 985	43 985
Original cost	30 744	30 744
Price adjustment	13 241	13 241
Total property	<u>2 093 182</u>	<u>2 093 182</u>

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rands

1.3. Reconciliation of property, plant and equipment - 2021

	Carrying value at beginning of <u>year</u> R	<u>Additions</u> R	<u>Disposals</u> R	<u>Depreciation</u> R	Carrying value at end of <u>year</u> R
Land and buildings	2 093 182	-	-	-	2 093 182
Boma at pool area	11 890	-	-	7 134	4 756
Braai facilities at pool	1 324	-	-	795	529
Swimming pool filter equipment	-	-	-	-	-
	<u>2 106 396</u>	<u>-</u>	<u>-</u>	<u>7 929</u>	<u>2 098 467</u>

1.4. Reconciliation of property, plant and equipment - 2020

	Carrying value at beginning of <u>year</u> R	<u>Additions</u> R	<u>Disposals</u> R	<u>Depreciation</u> R	Carrying value at end of <u>year</u> R
Land and buildings	2 093 182	-	-	-	2 093 182
Boma at pool area	19 024	-	-	7 134	11 890
Braai facilities at pool	2 119	-	-	795	1 324
Swimming pool filter equipment	-	-	-	-	-
	<u>2 114 325</u>	<u>-</u>	<u>-</u>	<u>7 929</u>	<u>2 106 396</u>

A register containing the information required by paragraph 22(3) of schedule 4 of the Companies Act is available for inspection at the registered office by the company.

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rands

	Note	2021	2020
2. Share capital and premiums			
Authorised			
1 500 "A" ordinary shares of R1 each		1 500	1 500
5 000 "B" ordinary shares of R1 each		5 000	5 000
		<u>6 500</u>	<u>6 500</u>
Issued			
1 500 "A" ordinary shares of R1 each comprising 15 share blocks of 100 shares each.		1 500	1 500
5 000 "B" ordinary shares of R1 each comprising 50 share blocks of 100 shares each.		5 000	5 000
Share premium		1 161 768	1 161 768
		<u>1 168 268</u>	<u>1 168 268</u>

Rights attached to the shares

"A" ordinary shares: the holders of these shares have the right to erect a bungalow and to traverse the farm.

"B" ordinary shares: the holders of these shares have the right to traverse the farm.

3 Long term loan - B J B Share Block (Proprietary) Limited

Balance at beginning of year		(847 297)	(975 114)
Less:			
- Levies received		119 475	132 862
		<u>(727 822)</u>	<u>(842 252)</u>
Add:		(40 796)	(5 045)
-Assessed tax paid - prior years		(36 561)	-
-Annual duty		(1 145)	(1 135)
- Secretarial fees		(3 090)	(3 910)
Balance at end of year		<u>(768 618)</u>	<u>(847 297)</u>

The above loan is unsecured, interest free and has no fixed terms of repayment. Furthermore, the loan is considered to be long term in nature.

R'KRANTZ SHARE BLOCK (PROPRIETARY) LIMITED
Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rands

4. Levies on members

The levy is at R7.50 per member per month (2020 - R7.50). B J B Share Block (Proprietary) Limited continues to maintain the property and other assets of the company. The three companies comprising N'tsiri Nature Reserve operate as a single share block for all practicable purposes. There are common shareholdings in all three companies.

5. Shareholders holding 5% or more of the issued capital of the company

The company is a share block company. All members hold an equal number of shares.

6. Taxation

No taxation has been provided as the company is exempt from tax in terms of Section 10(1)e of the Income Tax Act.