Real Estate Business Owners of South Africa (N.P.C) (RF)
(Registration number 2011/128716/08)
Annual Financial Statements
for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Representing real estate business owners
Directors	E Porteous AM Golding JD Le Roux AW Clarke VR Ramdass JF Davel S Seeff AJ Goslett A Ben-Mazwi BJ Biehler
Registered office	Dingley Attorneys Third Floor Waterford House Waterford Road Diep River 7800
Business address	3rd Floor Mariendahl House Cnr Main and Campground Roads Newlands 7700
Postal address	Postnet Suite 35 Private Bag X3 Plumstead 7801
Bankers	The Standard Bank of South Africa
Reviewers	Galbraith Rushby Inc Professional Accountants (SA)
Company registration number	2011/128716/08
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were compiled by: C.N. Gatsi Business Accountant in Practice (SA)

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

Real Estate Business Owners of South Africa (N.P.C) (RF)

(Registration number 2011/128716/08)
Annual Financial Statements for the year ended 28 February 2015

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

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

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

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

The directors have reviewed the company's cash flow forecast for the year to 29 February 2016 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 independent reviewers is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewers and their report is presented on page 4.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 08 May 2015 and were signed on its behalf by:

JD Le Roux

Independent Reviewers' Report

To the members of Real Estate Business Owners of South Africa (REBOSA) NPC

We have reviewed the annual financial statements of Real Estate Business Owners of South Africa (N.P.C) (RF), as set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in accumulated reserves and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company’s directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Independent Reviewers' Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Auditing. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained.

A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the annual financial statements as a whole may be materially misstated.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects the financial position of Real Estate Business Owners of South Africa (N.P.C) (RF) as at 28 February 2015 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 71 of 2008.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the directors report to the financial statements which indicates that the company incurred a net profit of R 172 067 for the year ended 28 February 2015 and, as at that date, the company’s total liabilities exceeded its total assets by R (1 059 617). The directors report also indicates that these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the company’s ability to continue as a going concern.

Galbraith Rushby Inc

Per: J.C. Galbraith
Professional Accountant (SA)

08 May 2015

Directors' Report

The directors submit their report for the year ended 28 February 2015.

1. Review of activities

Main business and operations

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

Net profit of the company was R 172 067 (2014: loss R 373 179), after taxation of R - (2014: R -).

2. Going concern

We draw attention to the fact that at 28 February 2015, the company had accumulated losses of R (1 059 617) and that the company's total liabilities exceed its assets by R (1 059 617).

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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 5 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Directors

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

Name	Nationality	Changes
SJ Manning	South African	Resigned 16/10/2014
E Porteous	South African	Appointed 31/10/2011
AM Golding	South African	Appointed 31/10/2011
JD Le Roux	South African	Appointed 19/09/2014
AW Clarke	South African	Appointed 18/09/2014
VR Ramdass	South African	Appointed 19/09/2014
JF Davel	South African	Appointed 18/09/2014
S Seeff	South African	Appointed 19/09/2014
AJ Goslett	South African	Appointed 18/09/2014
A Ben-Mazwi	South African	Appointed 19/09/2014
BJ Biehler	South African	Appointed 18/09/2014

5. Secretary

The company had no secretary during the year.

Statement of Financial Position as at 28 February 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	5 041	3 065
Current Assets			
Trade and other receivables	3	298 454	137 360
Cash and cash equivalents	4	294 437	256 441
		592 891	**393 801**
Total Assets		**597 932**	**396 866**
Accumulated deficit and Liabilities			
Accumulated Reserves			
Accumulated loss		(1 059 617)	(1 231 684)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	1 440 000	1 618 650
Current Liabilities			
Trade and other payables	7	161 978	7 500
Deferred income	6	55 571	2 400
		217 549	**9 900**
Total Liabilities		**1 657 549**	**1 628 550**
Total Accumulated Reserves and Liabilities		**597 932**	**396 866**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue	8	2 218 089	409 240
Donation		17 821	-
Operating expenses		(1 939 890)	(782 419)
Operating profit (loss)	9	**296 020**	**(373 179)**
Investment revenue		3 799	-
Finance costs		(127 752)	-
Profit (loss) for the year		**172 067**	**(373 179)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**172 067**	**(373 179)**

Statement of Changes in Accumulated Reserves

Figures in Rand	Accumulated loss	Total equity
Balance at 01 March 2013	**(858 505)**	**(858 505)**
Loss for the year	(373 179)	(373 179)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(373 179)**	**(373 179)**
Balance at 01 March 2014	**(1 231 684)**	**(1 231 684)**
Profit for the year	172 067	172 067
Other comprehensive income	-	-
Total comprehensive income for the year	**172 067**	**172 067**
Balance at 28 February 2015	**(1 059 617)**	**(1 059 617)**

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from (used in) operations	11	348 159	(113 690)
Interest income		3 799	-
Finance costs		(127 752)	-
Net cash from operating activities		**224 206**	**(113 690)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 560)	-
Cash flows from financing activities			
Repayment of other financial liabilities		(178 650)	262 526
Net cash from financing activities		**(178 650)**	**262 526**
Total cash movement for the year		**37 996**	**148 836**
Cash at the beginning of the year		256 441	107 605
Total cash at end of the year	4	**294 437**	**256 441**

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 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistence with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
IT equipment	3

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Accounting Policies

1.3 Tax (continued)

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or accumulated reserves as the transaction or other event that resulted in the tax expense.

1.4 Impairment of assets

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occured, estimates are prepared of future cash flows for each group of assets. Expected future cash flows are used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.7 Borrowing costs

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

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

2. Property, plant and equipment

	2015			2014		
	Cost / Valuation	**Accumulated depreciation and impairments**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and impairments**	**Carrying value**
IT equipment	16 755	(11 714)	5 041	9 195	(6 130)	3 065

Reconciliation of property, plant and equipment - 2015

	Opening balance	**Additions**	**Depreciation**	**Total**
IT equipment	3 065	7 560	(5 584)	5 041

Reconciliation of property, plant and equipment - 2014

	Opening balance	**Depreciation**	**Total**
IT equipment	6 130	(3 065)	3 065

3. Trade and other receivables

	2015	2014
Trade receivables	232 464	54 697
VAT	65 990	82 663
	298 454	**137 360**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2015	2014
Bank balances	294 437	256 441

5. Other financial liabilities

	2015	2014
At amortised cost		
Loan from Pam Golding Properties (Pty) Ltd The loan is subordinated, interest is charged at prime less 1% with a monthly repayment of R20 000.	1 440 000	1 618 650

This loan has been subordinated in favor of other creditors by Pam Golding Properties (Pty) Ltd until such time as the assets of the company, fairly valued, exceeds its liabilities.

	2015	2014
Non-current liabilities		
At amortised cost	1 440 000	1 618 650

6. Deferred income

This relates to subscription fees received in advance.

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

7. Trade and other payables

Trade payables	161 978	-
Provision for audit fees	-	7 500
	161 978	**7 500**

8. Revenue

Subscription fees	2 218 089	409 240

9. Operating profit (loss)

Operating profit (loss) for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	5 584	3 065
Employee costs	-	479 790

10. Taxation

No provision has been made for 2015 tax as the company is in the process of income tax exemption registration in terms of section 10(1)(e)(i)(cc).

11. Cash generated from (used in) operations

Profit (loss) before taxation	172 067	(373 179)
Adjustments for:		
Depreciation and amortisation	5 584	3 065
Interest received	(3 799)	-
Finance costs	127 752	-
Changes in working capital:		
Trade and other receivables	(161 094)	246 524
Trade and other payables	154 478	7 500
Deferred income	53 171	2 400
	348 159	**(113 690)**

12. Related parties

Relationships	
Member's of key management	Jan le Roux
Directors	Refer to Directors Report
Other related parties	Snowy Owl Properties 83 (Pty) Ltd

Related party balances and transactions with other related parties

Related party transactions

Administration fees paid to (received from) related parties		
Snowy Owl Properties 83 (Pty) Ltd	840 000	-
Salary paid to related parties		
Roy Leigh (CEO)	-	450 000

13. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

14. Going concern

We draw attention to the fact that at 28 February 2015, the company had accumulated losses of R (1 059 617) and that the company's total liabilities exceed its assets by R (1 059 617).

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The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 5 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

15. Events after the reporting period

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

Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Subscription fees		2 218 089	409 240
Other income			
AGM fees		17 821	-
Interest received		3 799	-
		21 620	**-**
Operating expenses			
Accounting fees		(56 156)	(15 000)
Administration and management fees		(840 000)	-
AGM expenses		(15 934)	-
Bad debts		-	(113 386)
Bank charges		(5 598)	(1 954)
Consulting fees EAAB		(233 227)	-
Depreciation, amortisation and impairments		(5 584)	(3 065)
Employee costs		-	(479 790)
IT expenses		(8 230)	(16 363)
Legal service costs		(258 881)	(15 768)
Lobbying costs		(160 000)	-
Meetings		(13 652)	(13 293)
Subscriptions		(209 272)	(5 000)
Telephone and fax		(33 138)	(45 905)
Travel - local		(100 218)	(72 895)
		(1 939 890)	**(782 419)**
Operating profit (loss)	9	**299 819**	**(373 179)**
Finance costs		(127 752)	-
Profit (loss) for the year		**172 067**	**(373 179)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**172 067**	**(373 179)**