

COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

28 FEBRUARY 2026

Registration number: 2000/123456/07

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL
2000/123456/07**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026**

The reports and statements set out below comprise the annual Financial Statements presented to the Shareholders:

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**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL****SECRETARIAL INFORMATION**

Country of incorporation and domicile	South Africa
Currency	South African Rand
Nature of operations and principal activities	Investment in immovable property Hotel industry
Directors	A Director C Director
Registered office	8 Point Road Cape Town 7100
Business address	8 Point Road Cape Town 7100
Postal address	P O Box 1234 Cape Town 7100
Bankers	ABC Bank
Registration number	2000/123456/07
Auditor/Accounting Officer	

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

Directors' responsibility statement

The directors have the pleasure of presenting the annual Financial Statements for the year ended 28 February 2026. The directors are responsible for the preparation and integrity of the annual Financial Statements and related financial information. The annual Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small- and Medium-sized Entities and the requirements of the Companies Act, No. 71 of 2008 ("the Companies Act") and incorporate full and responsible disclosure in line with the accounting philosophy of Company Financial Reporting (Pty) Ltd.

The directors assessed the effectiveness of the system of internal controls and risk management for the year under review, principally through self-assessment by, and information and reports from management. The directors are satisfied that adequate accounting records, risk management and internal controls and systems have been maintained to provide reasonable assurance on the integrity and reliability of the annual Financial Statements and to sufficiently safeguard, verify and maintain accountability for the assets and ensure that the possibility of material loss or misstatement is minimised.

The directors have reviewed the appropriateness of the accounting policies and concluded that judgements and estimates are prudent. The directors are of the opinion that the annual Financial Statements fairly present in all material respects the state of affairs and business of the company as at 28 February 2026 and believe that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the annual Financial Statements have been prepared on a going concern basis.

Approval of the annual Financial Statements

The annual Financial Statements for the year ended 28 February 2026, set out on pages 6 to 30, were approved by the board of directors and signed on their behalf by:

.....
A Director

.....
C Director

Johannesburg Date:

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF
COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annual Financial Statements of Company Financial Reporting (Pty) Ltd, as set out on pages 6 to 30, which comprise the statement of financial position as at 28 February 2026 and the statement of 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 and other explanatory information.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Company Financial Reporting (Pty) Ltd as at 28 February 2026 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.

.....
Auditor

Date:
.....
Johannesburg

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**DIRECTORS' REPORT FOR THE YEAR ENDED
28 FEBRUARY 2026**

- 1 The directors have pleasure in presenting the annual Financial Statements and their annual report which forms part of the Financial Statements of the company for the year ended 28 February 2026.

2 Nature of business and principal activities

The company's main objective is the investment in immovable property. Company Financial Reporting (Pty) Ltd is registered, incorporated and operates in the Republic of South Africa and the Company's registration number is 2000/123456/07.

There were no changes in the nature of the company's business during the period under review.

3 Financial results

The Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small- and Medium-sized Entities and the requirements of the Companies Act of South Africa.

The accounting policies have been applied consistently compared to the prior year. The directors present the following extracts from the Financial Statements for the current financial year:

	Increase/ (decrease)	
Property, plant and equipment (at carrying value)	(1 784 786)	61 303 908
Property, plant and equipment (at cost)	1 292 131	60 911 307
Total assets	(2 096 653)	68 311 776
Revenue	2 159 450	13 428 002
Net profit before taxation	2 038 944	251 437
Taxation		(225 776)
Net profit after taxation		25 661
Other comprehensive income		2 220 000
Dividends		(100 000)
Net profit for the year		2 145 661

The financial results of the company are set out in the attached Financial Statements and the directors are of the opinion that no further comment thereon is necessary.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**DIRECTORS' REPORT FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

4 Dividends

Dividends amounting to R100,000 were declared on 28 February 2025 (2024 - R0).

5 Share capital

The authorised and issued share capital are presented at Note 20 of the Notes to the Financial Statements.

The authorised and issued share capital remained unchanged during the financial year under review.

6 Fixed assets

No fundamental change in the nature or use of fixed assets took place during the financial year.

7 Directors

The directors in office at the date of the financial year end are as follows:

	Nationality
A Director	RSA
C Director	RSA

There have been no changes to the directorate during the period under review.

8 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.

9 Fundamental facts or contingencies since year end

No material fact or event that could have a major impact on the financial position of the company or its results took place between the date of the Financial Statements and the date of approval thereof.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
28 FEBRUARY 2026**

	Notes	2026	2025
Revenue	3	13 428 002	11 268 552
Cost of sales		(546 323)	(678 025)
Gross profit		12 881 679	10 590 527
Other operating income	4	31 847	66 906
Operating expenses		(6 842 389)	(4 924 971)
Administrative expenses		(1 701 777)	(2 493 647)
Operating profit	5	4 369 360	3 238 815
Other income	6	1 083 011	572
Finance costs	7	(5 200 934)	(5 026 894)
Net profit/(loss) before taxation		251 437	(1 787 507)
Taxation	9	(225 776)	(874 365)
Profit/(Loss) before other comprehensive income		25 661	(2 661 872)
Other comprehensive income	8	2 220 000	3 783 744
Total comprehensive income for the year		2 245 661	1 121 872

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2026

	Notes	2026	2025
ASSETS			
Non-current assets		66 427 249	67 623 368
Property	10	55 555 218	55 465 187
Plant and equipment	11	1 148 690	1 123 507
Investment property	12	4 600 000	6 500 000
Intangible assets	13	217 000	261 000
Investment in associate	14	300 000	300 000
Other investment	15	220 000	220 000
Non - current receivable	16	4 386 341	3 753 674
Current assets		1 884 527	2 785 061
Inventories	17	120 000	100 000
Trade and other receivables	18	787 202	1 331 997
Cash and cash equivalents	19	729 024	1 353 064
Current tax asset	26	248 301	-
Total assets		68 311 776	70 408 429
EQUITY AND LIABILITIES			
Equity		6 111 636	3 965 975
Share capital	20	100	100
Retained income		6 111 536	3 965 875
Non-current liabilities		59 873 657	64 614 888
Interest bearing borrowings	21	57 244 971	56 541 360
Interest free borrowing	22	1 643 236	7 402 155
Deferred tax liability	23	985 450	671 373
Current liabilities		2 326 483	1 827 566
Trade and other payables	24	806 483	584 574
Current portion of interest bearing loans	21	1 500 000	1 200 000
Provision	25	20 000	-
Current tax liability	26	-	42 992
Total equity and liabilities		68 311 776	70 408 429

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
28 FEBRUARY 2026**

	2026	2025
1 Share capital		
Issued shares at the beginning of the year	100	100
Shares issued during the year	-	-
Issued shares at the end of the year	<u>100</u>	<u>100</u>
2 Retained income		
Balance at the beginning of the year	3 965 875	2 844 003
Net profit for the year after taxation	2 245 661	1 121 872
Dividends	(100 000)	-
Balance at the end of the year	<u>6 111 536</u>	<u>3 965 875</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
28 FEBRUARY 2026**

	Notes	2026	2025
Net cash flows from operating activities		1 550 610	(2 511 704)
Cash receipts from clients and customers		13 944 365	10 036 140
Less: Cash paid to suppliers and employees		7 213 048	7 361 522
Cash generated from operations	29	6 731 317	2 674 618
Add:		303 219	572
Interest received	6.1	283 219	572
Bad debts recovered		20 000	-
		7 034 536	2 675 190
Less:		5 483 926	5 186 894
Dividends and dividend's tax paid		80 000	-
Finance costs	7	5 200 934	5 026 894
Taxation paid	9.2	202 992	160 000
Net cash flows from investing activities		2 580 658	(1 454 552)
Purchases of property, plant and equipment		(1 746 676)	-
Increase in intangibles		-	(200 000)
Increase in investments		-	(220 000)
Increase in non - current receivable		(632 667)	(1 034 552)
Proceeds on disposal of property, plant and equipment		4 960 001	-
Net cash flows from financing activities		(4 755 308)	4 042 785
Increase in interest bearing borrowings		703 611	708 997
Increase / (Decrease) in interest free borrowing		(5 758 919)	3 333 788
Increase in short term loan		300 000	-
Net increase/(decrease) in cash and cash equivalents during the year		(624 040)	76 529
Cash and cash equivalents			
At the beginning of the year		1 353 064	1 276 535
Cash and cash equivalents			
At the end of the year	19	729 024	1 353 064

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026**

1 Basis of preparation and accounting policies

These Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small- and Medium-sized Entities issued by the International Accounting Standards Board.

The Financial Statements have been prepared on the historical cost basis, except where stated otherwise and incorporate the principal policies set out below.

Except where stated otherwise, these accounting policies are consistent with the prior year.

1.1 Revenue recognition

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 discounts, volume rebates and sales-related taxes (if registered for such taxes).

Sale of goods

Revenue is recognised when the goods are delivered and the significant risks and rewards of ownership have passed to the buyer.

Rendering of services

Revenue is recognised with reference to the stage of completion provided that the amount of revenue and its related costs can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

1.2 Taxation

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, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases. Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds in the long term for its own use or for rental purposes and are not held for short term speculative reasons. Property, plant and equipment are initially measured at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use and subsequently to add or replace part of the assets, if it is probable that future economic benefits associated with the expenditure will flow to the Company. Property, plant and equipment are subsequently stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of property, plant and equipment over their useful economic life to its estimated residual value, when the asset is available for and taken into use, at the following rates per annum:

- Property	2.00%	Straight line
- Plant and equipment	20.00%	Straight line
- Motor vehicles	20.00%	Straight line
- Electronic equipment	33.34%	Straight line
- Furniture and fittings	20.00%	Straight line

If there is an indication that there has been a significant change in the depreciation rates, useful life or residual value of an asset, the depreciation of that asset is revised accordingly to reflect the new expectations.

Assets with a unit cost of less than R7 000 are recognised directly as an expense upon acquisition.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

1.4 Investment property

Investment property whose fair value can be measured reliably is recorded initially at its cost and subsequently at its fair value, with the changes in the fair value going through profit and loss. If the fair value is not reliably measurable without undue cost or effort the property is then included in property, plant and equipment.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Prepaid lease agreements

Prepaid lease agreements are initially recognised at cost and subsequently carried at cost less accumulated amortisation. Amortisation is calculated by applying the straight-line method over the period according to the terms of the agreement.

Goodwill

Goodwill acquired in a business combination is recognised as an asset and is initially measured at its cost. Subsequent to initial recognition goodwill is carried at cost less accumulated amortisation and net of accumulated impairment losses.

Amortisation is provided to write down the goodwill on a straight line basis, as follows:

- 10 years

1.6 Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

All other leases are classified as operating leases.

Finance Lease - Lessee

Rights to assets held under finance leases are recognised as assets at the fair value of the leased asset at the inception of the lease.

Operating Lease – Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

1.7 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

1.8 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit and loss), unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit and loss.

1.9 Comparative figures

Where necessary comparative figures have been reclassified.

2 Changes in accounting policies

No material changes to the accounting policies were identified and the comparative information has accordingly remained unchanged since the prior reporting period.

3 Revenue

	2026	2025
Accommodation income	8 652 919	6 840 972
Rent received	4 775 083	4 427 580
	13 428 002	11 268 552

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
4 Other operating income		
Insurance claims - Rental Properties	3 202	10 000
Recoupment of depreciation	27 600	-
Insurance claims - Seafront Hotel	1 045	56 906
	<u>31 847</u>	<u>66 906</u>
5 Operating profit		
The following items have been recognised as expenses in determining operating profit:		
Cost of inventories recognised as expense	546 323	678 025
Research and development cost	50 000	115 000
Impairment losses	15 000	-
Amortisation of intangible assets	29 000	29 000
Defined contribution plan expense	30 000	20 000
Directors' remuneration		
A Director	-	1 000 000
	<u>-</u>	<u>1 000 000</u>
Rent paid		
Premises	75 754	43 400
Various	365 148	189 474
	<u>440 902</u>	<u>232 874</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
Depreciation		
Property	1 174 037	-
Plant and equipment	102 000	42 000
Motor vehicles	23 104	13 104
Electronic equipment	80 016	66 680
Furniture and fittings	216 442	192 442
	<u>1 595 599</u>	<u>314 226</u>
6 Other income		
6.1 Interest received	283 219	572
ABSA Current account	552	572
Connected Interest bearing 1	282 667	-
6.2 Other	799 792	-
Profit on sale of fixed assets	779 792	-
Bad debts recovered	20 000	-
Total other income	<u>1 083 011</u>	<u>572</u>
7 Finance costs		
Bank - Mortgage Loans	4 060 538	3 972 853
Bank Current Account	-	198
Individual one	107 420	106 600
Individual two	12 130	38 300
Individual three	137 296	175 240
Individual four	-	27 997
Connected one CC	374 392	300 823
Connected two CC	116 427	332 869
Connected three CC	392 731	72 014
	<u>5 200 934</u>	<u>5 026 894</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
8 Other comprehensive income		
Revaluation of investment property	2 220 000	3 783 744
	<u>2 220 000</u>	<u>3 783 744</u>
9 Taxation		
9.1 Taxation provided		
South African normal taxation	(88 301)	202 992
Current period	114 691	202 992
Previous periods	(202 992)	-
Deferred taxation	314 077	671 373
Current period	446 466	671 373
Previous periods	(132 389)	-
Applicable taxation on net income before taxation	<u>225 776</u>	<u>874 365</u>
9.2 Reconciliation of taxation paid		
Provision in the Statement of Comprehensive Income	(88 301)	202 992
Movement in taxation liability	291 293	(42 992)
	<u>202 992</u>	<u>160 000</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
9.3 Tax expense reconciliation		
Net profit / (loss) before taxation	251 437	(1 787 507)
Other comprehensive income	2 220 000	3 783 744
	<u>2 471 437</u>	<u>1 996 237</u>
Income tax rate	27%	27%
Tax at the applicable rate	667 288	538 984
Effect of permanent differences (non-taxable income and non-deductable expenses)	(106 131)	335 381
Effect of income tax adjustment for previous year	(202 992)	-
Effect of temp differences adjustment previous year	(132 389)	-
Total income and deferred taxation provision	<u>225 776</u>	<u>874 365</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
10 Property		
Carrying value at beginning of year	55 465 187	58 181 443
Cost	55 465 187	58 181 443
Less: Accumulated depreciation	-	-
Add: Additions	236 676	-
Transfers from investment property	3 000 000	-
	58 701 863	58 181 443
Less: Transfers to investment property	1 352 400	2 716 256
Cost	1 380 000	2 716 256
Less: Accumulated depreciation	27 600	-
Less: Disposals	620 208	-
Cost	632 865	-
Less: Accumulated depreciation	12 657	-
Depreciation	(1 174 037)	-
Carrying value at the end of year	55 555 218	55 465 187
Cost	56 688 998	55 465 187
Less: Accumulated depreciation	1 133 780	-

Property is pledged as security - See note 21

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
The details of property at cost are as follows:		
Erf 1000, Cape Town	547 200	547 200
Erf 1000, Cape Town - Improvements	9 449 782	9 449 782
Erf 2000, Cape Town	1 117 200	1 117 200
Erf 3000, Cape Town	5 056 084	5 056 084
Erf 4000, Cape Town	-	1 380 000
Erf 5000, Cape Town	15 000 000	15 000 000
Erf 5000, Cape Town - Improvements	803 246	803 246
Erf 6000, Cape Town	2 000 000	2 000 000
Erf 6000, Cape Town - Improvements	1 654 001	1 654 001
Erf 7000, Cape Town	100 000	100 000
Erf 8000, Cape Town	370 000	370 000
Erf 8000, Cape Town - Improvements	54 496	54 496
Erf 9000, Cape Town	-	632 865
Erf 1100, Cape Town	197 000	197 000
Erf 1100, Cape Town - Improvements	28 056	28 056
Erf 1200, Cape Town	197 000	197 000
Erf 1200, Cape Town - Improvements	28 057	28 057
Erf 1300, Cape Town	294 903	294 903
Erf 1400, Cape Town	334 223	334 223
Erf 1500, Cape Town	5 121 483	5 121 483
Erf 1600, Cape Town	2 241 263	2 241 263
Erf 1700, Cape Town	1 857 889	1 857 889
Erf 1800, Cape Town	5 760 439	5 760 439
Erf 1900, Cape Town	1 240 000	1 240 000
Erf 2100, Cape Town	3 000 000	-
Erf 2300, Cape Town	236 676	-
	<hr/>	<hr/>
	56 688 998	55 465 187
	<hr/>	<hr/>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

11 Plant and equipment

11.1 Carrying value

		Plant and equipment	Motor vehicles	Electronic equipment	Furniture and fittings	Total
Value	29-Feb-24	210 000	65 522	200 000	962 211	1 437 733
Cost		210 000	65 522	200 000	962 211	1 437 733
Less: Acc depr		-	-	-	-	-
Add: Additions		-	-	-	-	-
		210 000	65 522	200 000	962 211	1 437 733
Less: Disposals		-	-	-	-	-
Cost		-	-	-	-	-
Less: Acc depr		-	-	-	-	-
Depreciation		(42 000)	(13 104)	(66 680)	(192 442)	(314 226)
Value	28-Feb-25	168 000	52 418	133 320	769 769	1 123 507
Cost		210 000	65 522	200 000	962 211	1 437 733
Less: Acc depr		42 000	13 104	66 680	192 442	314 226
Add: Additions		300 000	50 000	40 000	120 000	510 000
		468 000	102 418	173 320	889 769	1 633 507
Less: Disposals		30 000	-	-	33 255	63 255
Cost		50 000	-	-	55 424	105 424
Less: Acc depr		20 000	-	-	22 169	42 169
Depreciation		(102 000)	(23 104)	(80 016)	(216 442)	(421 562)
Value	28-Feb-26	336 000	79 314	93 304	640 072	1 148 690
Cost		460 000	115 522	240 000	1 026 787	1 842 309
Less: Acc depr		124 000	36 208	146 696	386 715	693 619

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
12 Investment property		
Carrying value at beginning of year	6 500 000	-
Cost	2 716 256	-
Revaluation	3 783 744	-
Add: Additions	1 000 000	-
	7 500 000	-
Add: Transfers from property (cost)	1 380 000	2 716 256
Add: Fair value changes (revaluation)	2 220 000	3 783 744
Less: Disposals	3 500 000	-
Cost	1 780 000	-
Revaluation	1 720 000	-
Less: Transfers to property	3 000 000	-
Cost	936 256	-
Revaluation	2 063 744	-
Carrying value at the end of year	4 600 000	6 500 000
Cost	2 380 000	2 716 256
Revaluation	2 220 000	3 783 744

Investment property is pledged as security - See note 21

The details of investment property at fair value are as follows:

Erf 2100, Cape Town	-	3 000 000
Erf 2200, Cape Town	-	3 500 000
Erf 4000, Cape Town	3 600 000	-
Erf 2300, Cape Town	1 000 000	-
	4 600 000	6 500 000

Erf 2100, Cape Town's fair value can no longer be reliably measured without undue cost or effort and the carrying value of R3 000 000 is therefore transferred to Property. The cost of the property is R936,256.

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
13 Intangible assets		
13.1 Goodwill		
Carrying value at beginning of year	81 000	90 000
Cost	90 000	90 000
Less: Accumulated amortisation	9 000	-
Annual amortisation	(9 000)	(9 000)
Impairment loss	(5 000)	-
Carrying value at the end of year	67 000	81 000
Cost	90 000	90 000
Less: Accumulated amortisation	18 000	9 000
Less: Accumulated impairment loss	5 000	-
13.2 Prepaid lease agreement		
Carrying value at beginning of year	180 000	-
Cost	200 000	-
Less: Accumulated amortisation	20 000	-
Additions	-	200 000
Annual amortisation	(20 000)	(20 000)
Impairment loss	(10 000)	-
Carrying value at the end of year	150 000	180 000
Cost	200 000	200 000
Less: Accumulated amortisation	40 000	20 000
Less: Accumulated impairment loss	10 000	-
Total	217 000	261 000

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
14 Investment in associate		
30 Shares in ABC Company (Pty) Ltd - 30% interest	300 000	300 000
	<u>300 000</u>	<u>300 000</u>
The shares of the associate are not publicly traded.		
15 Other investment		
Investment 1	220 000	220 000
	<u>220 000</u>	<u>220 000</u>
16 Non-current receivable		
Interest bearing non-current receivable	4 386 341	3 753 674
Interest bearing 1	4 386 341	3 753 674
Unsecured loan bearing interest at 9.25% p.a. with no fixed repayment terms		
	<u>4 386 341</u>	<u>3 753 674</u>
17 Inventories		
Inventories consist of the following:		
Trading stock	120 000	100 000
	<u>120 000</u>	<u>100 000</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
18 Trade and other receivables		
Trade receivables	903 809	835 925
Provision for doubtful debts	(130 000)	(110 000)
	<hr/>	<hr/>
	773 809	725 925
Service deposits	13 393	13 393
Prepayments	-	560 000
Revenue Service - VAT recoverable	-	32 679
	<hr/>	<hr/>
	787 202	1 331 997

19 Cash and cash equivalents

ABSA Current account	12 290	11 084
ABSA Current account - Seafront Hotel	439 966	1 037 900
Cash on hand	276 768	304 080
	<hr/>	<hr/>
	729 024	1 353 064

For the purpose of the Statement of Cash Flows, Cash and cash equivalents include the following:

ABSA Current account	12 290	11 084
ABSA Current account - Seafront Hotel	439 966	1 037 900
Cash on hand	276 768	304 080
	<hr/>	<hr/>
	729 024	1 353 064

20 Share capital

Authorised		
1000 Ordinary shares of R1 each	1 000	1 000
	<hr/>	<hr/>
Issued and fully paid		
100 Ordinary shares of R1 each	100	100
	<hr/>	<hr/>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
21 Interest bearing borrowings		
Bank 1 - Mortgage Loan - 3013	18 489 601	18 109 046
Secured by bond agreements over properties with book values of R20,000,000 and which bears interest at 9.25% p.a. and is repayable in equal monthly instalments of R150,000, inclusive of capital and interest.		
Bank 2 - Mortgage Loan - 3014	12 770 015	12 502 726
Bank 3 - Mortgage Loan - 3015	2 498 218	2 420 457
ABC Bank - Mortgage Loan	1 104 593	1 182 815
ABC Bank - Commercial Finance	6 460 679	6 983 020
Bank A - Mortgage Loan - 2518	3 759 342	4 049 433
Bank B - Mortgage Loan - 2519	964 596	1 017 318
Individual one	1 122 000	1 161 000
Individual two	715 000	830 000
Individual three	32 876	190 000
Individual four	146 576	242 576
Connected one CC	4 360 868	4 008 476
Connected two CC	1 700 580	1 043 197
Connected three CC	4 620 027	4 001 296
	<u>58 744 971</u>	<u>57 741 360</u>
Less: Payable within 1 year transferred to current liabilities	1 500 000	1 200 000
	<u>57 244 971</u>	<u>56 541 360</u>
22 Interest free borrowing		
ABC Moon Trust	1 643 236	7 402 155
	<u>1 643 236</u>	<u>7 402 155</u>
Unsecured interest free loan with no fixed repayment terms.		

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
23 Deferred taxation		
The following are the deferred tax liabilities (assets) recognised by the Company:		
Difference between carrying values and tax bases of property, plant and equipment	985 450	1 171 875
Calculated loss for tax purposes	-	(500 502)
	<u>985 450</u>	<u>671 373</u>

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	985 450	1 171 875
Deferred tax asset	-	(500 502)
	<u>985 450</u>	<u>671 373</u>

Reconciliation

Deferred tax liability at the beginning of the year	671 373	-
Temporary differences on property, plant and equipment	1 171 875	-
Calculated loss for tax purposes	(500 502)	-
Provision for current year	446 466	671 373
Temporary differences on property, plant and equipment	(36 161)	1 171 875
Calculated loss for tax purposes	482 627	(500 502)
Previous periods adjustment	(132 389)	-
Temporary differences on property, plant and equipment	(150 264)	-
Calculated loss for tax purposes	17 875	-
Deferred tax liability at the end of the year	<u>985 450</u>	<u>671 373</u>
Temporary differences on property, plant and equipment	985 450	1 171 875
Calculated loss for tax purposes	-	(500 502)

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
24 Trade and other payables		
Trade payables	220 000	200 000
Audit and accounting fees	140 000	60 000
Other accruals	324 574	324 574
Revenue Service - VAT payable	121 909	-
	<u>806 483</u>	<u>584 574</u>
25 Provision		
Dividends' tax provision	20 000	-
	<u>20 000</u>	<u>-</u>
26 Current tax liability/(asset)		
Current tax liability at the beginning of the year	42 992	-
Income tax provision for current year	114 691	202 992
Under-/(Over) provisions for previous years	(202 992)	-
Tax (paid)/refund for previous years' assessments	(42 992)	-
1st Provisional tax paid	(80 000)	(80 000)
2nd Provisional tax paid	(80 000)	(80 000)
Current tax liability/(asset) at the end of the year	<u>(248 301)</u>	<u>42 992</u>
27 Obligations under finance leases		
The future minimum lease payments are as follows:		
Within one year	10 000	10 000
Later than one year but within five years	40 000	40 000
Later than five years	10 000	20 000
	<u>60 000</u>	<u>70 000</u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

2026 2025

28 Commitments under operating leases

The company rents several sales offices under operating leases. The leases are for an average period of five years, with fixed rentals over the same period.

The company also leases office equipment for an average period of 3 years, with fixed rentals over the same period.

Minimum lease payments under operating leases
recognised as an expense during the year

523 211 302 055

At year-end, the Company has outstanding commitments under non-cancellable operating leases that fall due as follows:

Within one year	21 990	20 556
Later than one year but within five years	87 960	82 224
Later than five years	15 634	30 778
	125 584	133 558

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026 (Continued)**

	2026	2025
29 Reconciliation of operating profit before taxation to cash generated from operations		
Operating profit	4 369 360	3 238 815
Add:	1 615 253	343 226
Amortisation of goodwill	9 000	9 000
Amortisation of prepaid lease agreement	20 000	20 000
Depreciation	1 595 599	314 226
Impairment losses	15 000	-
Loss on sale of fixed assets	3 254	-
Recoupment of depreciation	(27 600)	-
	5 984 613	3 582 041
Changes in working capital	746 704	(907 423)
Increase in inventories	(20 000)	(100 000)
(Increase) / Decrease in accounts receivable	512 116	(1 299 318)
Increase in accounts payable	254 588	491 895
Cash generated from operations	6 731 317	2 674 618

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

30 Related parties and transactions

The company entered into transactions with related parties in the ordinary course of business, the nature of which was consistent with those previously reported.

<u>Persons with significant influence</u>	<u>Relationship</u>
A Director	Director
C Director	Director

The details of directors' remuneration are comprehensively disclosed in Note 5 of the Notes to the Financial Statements.

Related party balances and transactions with entities with control, joint control or significant influence over the company are as follows:

<u>Related party</u>	<u>Interest received from / (paid to)</u>	<u>Balance owed by / (to)</u>
Connected one CC	(374 392)	(4 360 868)
Connected two CC	(116 427)	(1 700 580)
Connected three CC	(392 731)	(4 620 027)
ABC Moon Trust	-	(1 643 236)
Interest bearing 1	282 667	4 386 341

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2026**

	Notes	2026	2025
Rent received		4 775 083	4 427 580
Other operating income		30 802	10 000
Insurance claims - Rental Properties		3 202	10 000
Recoupment of depreciation		27 600	-
		4 805 885	4 437 580
Less: Operating expenses		2 489 782	1 846 558
Advertising		-	2 511
Assets less than R7 000		7 790	52 499
Depreciation	5	1 174 037	-
Electricity and water		885 519	962 404
Equipment lease		71 641	59 231
Insurance		16 402	35 930
Levies		85 180	84 000
Levies - Skills development		-	1 377
Motor vehicle expenses		19 615	64 048
Protective clothing		2 391	250
Rent paid	5	75 754	43 400
Repairs and maintenance		21 174	263 016
Research and development cost		50 000	115 000
Salaries		65 371	119 686
Staff welfare		7 690	9 361
Telephone, postage and courier		7 218	6 779
Travelling and accommodation		-	27 066
Operating profit		2 316 103	2 591 022
Carried forward			

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

	Notes	2026	2025
Operating profit		2 316 103	2 591 022
Brought forward			
Less: Administrative expenses		518 221	516 803
Accounting fees		15 524	12 719
Amortisation of goodwill		9 000	9 000
Audit fees		80 000	60 000
Bad debts		30 000	60 000
Bank charges		136 713	144 689
Defined contribution plan expense		30 000	20 000
Donations		20 000	10 000
Entertainment expenses		1 000	1 496
Fines		30 000	20 000
Impairment losses		5 000	-
Legal expenses		25 000	39 138
Printing and stationery		874	3 868
Security		3 507	3 621
Subscriptions and membership fees		131 603	126 272
Tax penalties and interest		-	6 000
Operating profit for the year	5	1 797 882	2 074 219
Other income	6	1 083 011	572
Less: Finance costs	7	5 200 934	5 026 894
Loss before taxation		(2 320 041)	(2 952 103)
Net profit/(loss) before taxation - other activities			
Net profit - Seafront Hotel	Annexure A	2 571 478	1 164 596
		251 437	(1 787 507)
Less: Taxation	9	225 776	874 365
		25 661	(2 661 872)
Other comprehensive income	8	2 220 000	3 783 744
Total comprehensive income for the year		2 245 661	1 121 872

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL**

**STATEMENT OF TAXABLE INCOME FOR THE YEAR ENDED
28 FEBRUARY 2026**

Net profit before taxation		251 437
Add:		3 699 657
Amortisation of goodwill	9 000	
Amortisation of prepaid lease agreement	20 000	
Capital gains profit	1 989 708	
Depreciation	1 595 599	
Donations	20 350	
Fines	30 000	
Impairment losses	15 000	
Legal expenses	10 000	
Loss on sale of fixed assets	3 254	
section 8(4)(a) Recoupment of allowances	6 746	
		<u>3 951 094</u>
Less:		1 738 804
section 11 (e) Wear-and-tear allowance	421 563	
a13 quin Commercial buildings allowance	499 849	
section 11(o) Scrapping allowance	10 000	
Profit on sale of fixed assets	779 792	
Recoupment of depreciation	27 600	
		<u>2 212 290</u>
Assessed loss brought forward from previous year		<u>(1 787 507)</u>
Taxable income for the year		<u><u>424 783</u></u>
Tax thereon at: Normal tax		
	Tax rate	27%
		<u>114 691.41</u>
Tax payable		114 691.41
Less:		160 000.00
Provisional tax paid		
First	80 000.00	
Second	80 000.00	
		<u>(45 308.59)</u>
Income tax refundable		<u><u>(45 308.59)</u></u>

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A RENTAL PROPERTIES AND SEAFRONT HOTEL****ANNEXURE TO STATEMENT OF TAXABLE INCOME FOR THE
YEAR ENDED 28 FEBRUARY 2026**

1 Capital gains' tax

Profit realized during the period under review	2 487 135
Less: Loss realized during the period under review	-
Less: Loss brought forward from previous year	-
Profit subject to CGT	<u>2 487 135</u>
Taxable (80%)	<u><u>1 989 708</u></u>

ANNEXURE A

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A SEAFRONT HOTEL**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2026**

	Notes	2026	2025
Revenue		8 652 919	6 840 972
Less: Cost of sales		546 323	678 025
Opening stock		100 000	-
Room amenities and food vouchers		566 323	778 025
Closing stock		(120 000)	(100 000)
Gross profit		8 106 596	6 162 947
Other operating income		1 045	56 906
Insurance claims - Seafront Hotel		1 045	56 906
		8 107 641	6 219 853
Less: Operating expenses		4 352 607	3 078 413
Advertising		9 523	15 195
Assets less than R7 000		246 981	80 273
Depreciation	5	125 104	55 104
Electricity and water		423 762	348 045
Equipment lease		10 668	9 950
Insurance		126 030	119 742
Laundry		339 777	254 535
Levies - Skills development		5 330	12 620
Licenses		9 064	11 288
Motor vehicle expenses		27 872	12 385
Packaging		914	1 063
Protective clothing		16 389	17 509
Rent paid	5	365 148	189 474
Repairs and maintenance		554 600	221 077
Salaries		2 054 071	1 620 075
Telephone, postage and courier		27 350	35 435
Training		-	60 000
Travelling and accommodation		10 024	14 643
Operating profit		3 755 034	3 141 440
Carried forward			

**COMPANY FINANCIAL REPORTING (PROPRIETARY) LIMITED
T/A SEAFRONT HOTEL**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2026** (Continued)

	Notes	2026	2025
Operating profit		3 755 034	3 141 440
Brought forward			
Less: Administrative expenses		1 183 556	1 976 844
Accounting fees		-	3 000
Amortisation of prepaid lease agreement		20 000	20 000
Bad debts		10 000	50 000
Bank charges		56 575	62 981
Cleaning		52 099	61 970
Commission paid		495 344	321 694
Computer expenses		14 244	4 514
Consulting and professional fees		2 100	11 500
Credit card fees		35 154	45 134
Depreciation	5	296 458	259 122
Directors' remuneration	5	-	1 000 000
Donations		350	-
Impairment losses		10 000	-
Legal expenses		-	9 000
Loss on sale of fixed assets		3 254	-
Printing and stationery		17 890	16 089
Security		8 210	2 485
Signage		1 495	-
Staff welfare		4 325	1 120
Subscriptions and membership fees		145 627	108 235
WCCA		10 431	-
Operating profit for the year	5	2 571 478	1 164 596
Profit before taxation		2 571 478	1 164 596