LA BELLA VITA FARMING ASSOCIATION
FINANCIAL STATEMENTS
for the year ended 28 February 2005

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

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Approval

The financial statements which appear on pages 2 to 8 were approved by the board of trustees on ________________________ and signed on their behalf by:

____
C Elliott

____
G Khoury

____
B Glazer

____
J Coetzee

LA BELLA VITA FARMING ASSOCIATION
REPORT OF THE TRUSTEES
for the year ended 28 February 2005

The trustees present their report for the year ended 28 February 2005. This report forms part of the audited financial statements.

1. General review

The body corporate's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

2. Statements of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with South African Auditing Standards. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Section Title Act in South Africa.

The trustees are also responsible for the body corporate's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the body corporate has adequate resources in place to continue in operation for the foreseeable future.

3. Events subsequent to the year end

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

4. Trustees

The trustees of the body corporate during the accounting period and up to the date of this report were as follows:

C Elliott
G Khoury
B Glazer
J Coetzee

5. Auditors

Haumann Rodger will continue in office in accordance with section 270(2) of the Companies Act.

6. Financial results

The results of the body corporate and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

LA BELLA VITA FARMING ASSOCIATION
BALANCE SHEET
as at 28 February 2005

	Notes	2005 R	2004 R
Assets			
Non-current assets		181,634	237,479
Fixed assets	2	181,634	231,054
Loans receivable	3	-	6,425
Current assets		341,395	443,325
Trade and other receivables		219,501	429,522
Bank balances		121,894	13,803
Total assets		523,029	680,804
Funds and liabilities			
Funds and reserves			
Deficit		(220,179)	(103,989)
Non-current liabilities			
Deferred revenue	4	339,737	497,477
Current liabilities		403,471	287,316
Trade and other payables		91,543	75,080
Income received in advance		311,928	212,236
Total funds and liabilities		523,029	680,804

LA BELLA VITA FARMING ASSOCIATION
INCOME STATEMENT
for the year ended 28 February 2005

	Note	2005 R	2004 R
Gross revenue		1,201,474	326,595
Special levies		98,754	55,275
Ordinary levies		1,102,720	271,320
Other income		31,029	818
Interest received		108	318
Sundry income		12,197	500
Release from obligation	6	18,724	-
Total income		1,232,503	327,413
Expenditure		1,348,693	431,402
Accounting fees		6,071	27,008
Administration and management fees paid		675,534	218,129
Bad debts		16,054	-
Bank charges		2,899	905
Cleaning		125	-
Computer expenses		2,499	-
Consulting fees		50,517	-
Cover crops		14,336	-
Depreciation		49,420	16,046
Electricity		29,401	-
Entertainment		484	-
Fertiliser		15,588	4,643
General expenses		17,250	-
Horse food		8,165	322
Interest		7,478	-
Lease rentals		69,049	23,016
Motor vehicle expenses		12,478	-
Pest control		80,806	42,589
Petrol and oil		21,237	3,973
Postage		269	99
Printing and stationery		3,601	566
Protective clothing		9,873	6,679
Repairs and maintenance		98,037	59,590
RSC levies		2,440	-
Staff training		-	171
Telephone and fax		4,578	-
Travel - local		-	200
Two way radio rental		4,463	-
Water treatment		11,253	19,377
Water		89,812	-
Weed control		44,976	8,089
Loss		(116,190)	(103,989)

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LA BELLA VITA FARMING ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2005

	Accumulated loss R
Balance at 01 March 2003	-
Net deficit for the year	(103,989)
Balance at 01 March 2004	(103,989)
Net deficit for the year	(116,190)
Balance at 28 February 2005	(220,179)

LA BELLA VITA FARMING ASSOCIATION
CASH FLOW STATEMENT
for the year ended 28 February 2005

	Notes	2005 R	2004 R
Cash flows from operating activities		101,666	20,228
Cash receipts from customers		1,450,893	395,050
Cash paid to suppliers and employees		(1,341,857)	(375,140)
Cash generated by operating activities	6.1	109,036	19,910
Interest received		108	318
Interest paid		(7,478)	-
Cash flows from financing activities		6,425	(6,425)
Loans raised		6,425	-
Loans repaid		-	(6,425)
Increase in cash and cash equivalents		108,091	13,803
Cash and cash equivalents at beginning of the year	6.2	13,803	-
Cash and cash equivalents at end of the year	6.2	121,894	13,803

LA BELLA VITA FARMING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2005

1 Basis of preparation

The financial statements are prepared in accordance with South African Statements of generally accepted accounting practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

1.1 Revenue recognition

Levies are recognised as revenue when they fall due.

1.2 Fixed assets

All fixed assets are initially recorded at cost and adjusted for any impairment in value.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of fixed assets are as follows:

- Plant and equipment 20 %
- Motor vehicles 20 %

2. Fixed assets

	2005 Cost / valuation	2005 Accumulated depreciation	2005 Carrying value	2004 Cost / valuation	2004 Accumulated depreciation	2004 Carrying value
Owned assets						
Plant and equipment	152,600	40,266	112,334	152,600	9,746	142,854
Motor vehicles	94,500	25,200	69,300	94,500	6,300	88,200
	247,100	65,466	181,634	247,100	16,046	231,054

The carrying amounts of fixed assets can be reconciled as follows:

2005	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
Owned assets				
Plant and equipment	142,854	-	(30,520)	112,334
Motor vehicles	88,200	-	(18,900)	69,300
	231,054	-	(49,420)	181,634

LA BELLA VITA FARMING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2005

	2005 R	2004 R

3. Loans receivable

	2005 R	2004 R
La Bella Vita Wine Estate Property Owners Association	-	3,261
Sante Wellness Centre (Pty) Ltd	-	3,164
	-	6,425

The above loans are unsecured, interest free and have no fixed terms of repayment.

4. Deferred revenue

Deferred revenue consists out of a capital levy that was raised to buy tractors and other farming equipment, and will be recognised as revenue over a 60 month period. R339,737 (2004 R497,477).

5. Release of obligation

The trustees of both LBV Farming Association and LBV Winelands Estate Property Owners Association agreed that the loan account between the Associations be written off.

6. Notes to the cash flow statement

6.1 Cash generated by operating activities

	2005 R	2004 R
Net loss	(116,190)	(103,989)
Adjustments for:		
Depreciation	49,420	16,046
Interest received	(108)	(318)
Finance costs	7,478	-
Deferred revenue	(157,740)	497,477
	(217,140)	409,216
Movements in working capital		
Decrease/(increase) in accounts receivable	210,021	(429,522)
Increase in accounts payable	16,463	287,316
Increase in income received in advance	99,692	-
	109,036	267,010

6.2 Cash and cash equivalents

	2005 R	2004 R
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank balances	121,894	13,803