LBV WINELANDS ESTATE PROPERTY OWNERS ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2005

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

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Approval

The financial statements which appear on pages 2 to 10 were approved by the board of trustees on ____________________ and signed on their behalf by:

____________________	____________________
L Liebenberg	G Khoury
____________________	____________________
P Holden	C Elliott

LBV WINELANDS ESTATE PROPERTY OWNERS 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 Companies Act, 1973.

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. 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.

4. Fixed assets

There have been no major changes in the fixed assets during the period or any changes in the policy relating to their use.

5. Events subsequent to 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.

6. Trustees

The trustees of the body corporate during the accounting period and up to the date of this report were as follows:
L Liebenberg
G Khoury
P Holden
C Elliott

7. Auditors

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

LBV WINELANDS ESTATE PROPERTY OWNERS ASSOCIATION
BALANCE SHEET
as at 28 February 2005

	Notes	2005 R	2004 R
Assets			
Non-current assets			
Fixed assets	2	42,844	12,857
Current assets		616,619	1,221,199
Trade and other receivables		228,163	991,933
Cash and cash equivalents		388,456	229,266
Total assets		659,463	1,234,056
Funds and liabilities			
Funds and reserves			
Surplus		(49,326)	172,940
Non-current liabilities		485,167	520,969
Borrowings	4	71,000	3,261
Deferred revenue	5	414,167	517,708
Current liabilities		223,622	540,147
Loans payable		-	307,619
Trade and other payables		34,585	88,273
Income received in advance		189,037	144,255
Total equity and liabilities		659,463	1,234,056

LBV WINELANDS ESTATE PROPERTY OWNERS ASSOCIATION
INCOME STATEMENT
for the year ended 28 February 2005

	Note	2005 R	2004 R
Gross revenue		1,680,108	773,014
Ordinary levies		1,576,566	773,014
Special levies		103,542	-
Other income		2,686	401
Interest received		986	401
Sundry income		1,700	-
Total income		1,682,794	773,415
Expenditure		1,905,060	600,475
Accounting fees		912	28,623
Administration and management fees paid		184,550	74,533
Bad debts		25,344	-
Bank charges		5,314	289
Cleaning		2,199	-
Computer expenses		11,887	-
Consulting fees		10,800	1,800
Depreciation		8,959	443
Electricity		74,954	11,896
Entertainment		6,824	-
Siblings & Fertiliser		5,768	7,808
Insurance		7,400	-
Interest		318	-
Impairment losses	6	18,724	-
Lease rentals		7,641	-
Legal expenses		5,415	-
Rates & taxes		9,012	-
Refuse costs		118,656	32,427
Water		68,128	34,720
Uniforms		2,768	4,950
Postage		340	-
Printing and stationery		6,434	-
Repairs and maintenance		376,770	14,714
Security		777,299	248,368
Telephone and fax		26,851	-
Travel - local		450	-
Training		2,928	171
Maintenance - Garden		69,748	74,109
Maintenance - Dams		11,759	39,157
Maintenance - Pool		25,101	6,571
Pest control		2,226	2,092
Sewerage		29,581	17,804
(Loss)/profit		(222,266)	172,940

LBV WINELANDS ESTATE PROPERTY OWNERS ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2005

	Accumulated loss R
Balance at 01 March 2003	-
Net profit for the year	172,940
Balance at 01 March 2004	172,940
Net loss for the year	(222,266)
Balance at 28 February 2005	(49,326)

LBV WINELANDS ESTATE PROPERTY OWNERS ASSOCIATION
CASH FLOW STATEMENT
for the year ended 28 February 2005

	Notes	2005 R	2004 R
Cash flows from operating activities		443,440	(81,615)
Cash receipts from customers		2,420,700	298,789
Cash paid to suppliers and employees		(1,977,928)	(635,803)
Cash generated by/(utilised in) operating activities	7.1	442,772	(82,016)
Interest received		986	401
Interest paid		(318)	-
Cash flows from investing activities		(44,370)	-
Expenditure to maintain operating capacity			
Fixed assets acquired		(25,646)	-
Expenditure for expansion			
Investment in associates		(18,724)	-
Cash flows from financing activities		(239,880)	310,881
Loans raised		67,739	310,881
Loans repaid		(307,619)	-
Increase in cash and cash equivalents		159,190	229,266
Cash and cash equivalents at beginning of the year	7.2	229,266	-
Cash and cash equivalents at end of the year	7.2	388,456	229,266

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 %
- Furniture and fittings 16.67 %
- Computer equipment 33.33 %

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	13,300	3,103	10,197	13,300	443	12,857
Furniture and fittings	17,206	2,112	15,094	-	-	-
Computer equipment	21,740	4,187	17,553	-	-	-
	52,246	9,402	42,844	13,300	443	12,857

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

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
2005				
Owned assets				
Plant and equipment	12,857	6,299	(2,660)	16,496
Furniture and fittings	-	15,094	(2,112)	12,982
Computer equipment	-	17,553	(4,187)	13,366
	12,857	38,946	(8,959)	42,844

	2005 R	2004 R

3. Loans receivable

The above loan is unsecured, interest free and have no fixed terms of repayment.

4. Borrowings

	2005 R	2004 R
Redline Investments 20 CC	71,000	-
LBV Farming Association	-	3,261
	71,000	3,261

LBV Farming Assoc loan is unsecured, interest free and has no fixed terms of repayment. Redline Investments 20 CC loan will bear interest at 11% monthly accumulated and be repaid in monthly installments of R1 677.88 over 24 months.

5. Deferred revenue

Deferred revenue consists out of a special levy that was raised to fund capital improvements and to beautify the Estate, and will be recognised as revenue over 60 month period. R414,167 (2004 R517,708).

6. Impairment losses

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.

7. Notes to the cash flow statement

7.1 Cash generated by operating activities

	2005 R	2004 R
Net (loss)/profit	(222,266)	172,940
Adjustments for:		
Depreciation	8,959	443
Impairment losses	18,724	-
Interest received	(986)	(401)
Finance costs	318	-
Deferred revenue	(103,541)	-
	(298,792)	172,982
Movements in working capital		
Decrease in accounts receivable	763,770	-
Decrease in accounts payable	(53,688)	-
Increase in income received in advance	44,782	-
	456,072	172,982

	2005 R	2004 R
7.2 Cash and cash equivalents		
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:		
Cash and cash equivalents	388,456	229,266