

Interurban Properties Proprietary Limited

(Registration Number 2010/018359/07)

**Annual Financial Statements
for the year ended 28 February 2021**

Reviewed Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: Enzo Skippers

Professional designation: Chartered Accountant (SA)

Interurban Properties Proprietary Limited

(Registration Number 2010/018359/07)

Annual Financial Statements for the year ended 28 February 2021

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Interurban Properties Proprietary Limited

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Annual Financial Statements for the year ended 28 February 2021

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2010/018359/07
Nature of Business and Principal Activities	Investment holding
Director	PP Munday
Registered Office	411 The Hills, Buchanan Square 160 Sir Lowry Road Woodstock Cape Town 7925
Business Address	411 The Hills, Buchanan Square 160 Sir Lowry Road Woodstock Cape Town 7925
Postal Address	PO Box 1745 Milnerton Cape Town 7435
Level of Assurance	These financial statements have been reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Independent Reviewer	Kearns and Associates Inc Chartered Accountants (SA)
Preparer	The financial statements were independently compiled by: Enzo Skippers Chartered Accountant (SA)

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Director's Responsibilities and Approval

The director is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

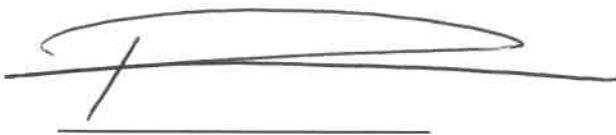
The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal 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 director is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the director has no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The independent reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The independent reviewers report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 15, and the supplementary information set out on page 16 which have been prepared on the going concern basis, were approved by the director and were signed on 25 May 2021.



PP Munday

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Director's Report

The director presents his report for the year ended 28 February 2021.

1. Review of activities

Main business and operations

The principal activity of the company is investment holding. There were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in my opinion require any further comment.

2. 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.

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The director is not aware of any new material changes that may adversely impact the company, with the exception of the unknown potential impact of COVID-19 on the economy and consequently the business. Management is actively devising and implementing strategies to protect the welfare of employees and the operational future of the business in conjunction with their bank, insurers and business advisors. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

3. Events after reporting date

The director is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

5. Dividend

No dividend was declared or paid to the shareholder during the year.

6. Director

The director of the company during the year and up to the date of this report is as follows:

PP Munday

7. Secretary

No secretary has been formally appointed during the current financial year.

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Director's Report

8. Shareholder

There have been no changes in ownership during the current financial year.

The shareholder and its interest at the end of the year is:

	Holding
I Group Consolidated Holdings Proprietary Limited	100.00%

9. Liquidity and solvency

The director has performed the required liquidity and solvency test required by the Companies Act of South Africa.

10. Independent Reviewers

Kearns and Associates Inc were the independent reviewers for the year under review.

Report of the Independent Reviewer

To the Shareholder of Interurban Properties Proprietary Limited

We have reviewed the financial statements of Interurban Properties Proprietary Limited set out on pages 8 to 15, which comprise the statement of financial position as at 28 February 2021, and the statement of comprehensive income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Director's Responsibility for the Annual Financial Statements

The director is responsible for the preparation and fair presentation of these 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the 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 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review 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 financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Interurban Properties 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.

Emphasis of Matter – Going Concern: The impact of the uncertainty of COVID-19

We draw attention to Note 2 in the Director's Report, which deals with going concern and specifically the possible effects of the future implications of COVID-19 on Interurban Properties Proprietary Limited's future prospects, performance and cashflows. Our opinion is not modified in respect of this matter.



Other Reports Required by the Companies Act

The annual financial statements include the Director's Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report, the Annual Report, which is expected to be made available to us after that date, and the supplementary information set out on page 16. The director is responsible for this other information. Our conclusion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Kearns and Associates Inc

25 May 2021

Kearns & Associates

Per: Lindsay Kearns

Director

Chartered Accountant (SA)

Unit 1, Daveng Office Park

7 Digtebij Street

Kuils River

Cape Town

7580

Interurban Properties Proprietary Limited

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Financial Statements for the year ended 28 February 2021

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Deferred tax assets	4	15,903	13,005
Loan to shareholder	6	8,623,502	8,623,502
Total non-current assets		8,639,405	8,636,507
Current assets			
Other financial assets	7	1,608,260	1,608,260
Total current assets		1,608,260	1,608,260
Total assets		10,247,665	10,244,767
Equity and liabilities			
Equity			
Issued capital	8	120	120
Retained income		10,226,845	10,234,297
Total equity		10,226,965	10,234,417
Liabilities			
Non-current liabilities			
Loans from group companies	10	20,700	10,350
Total liabilities		20,700	10,350
Total equity and liabilities		10,247,665	10,244,767

Interurban Properties Proprietary Limited

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Statement of Comprehensive Income

Figures in R	Note	2021	2020
Administrative expenses		(10,350)	(10,350)
Loss from operating activities		(10,350)	(10,350)
Loss before tax		(10,350)	(10,350)
Income tax credit	11	2,898	2,898
Loss for the year		(7,452)	(7,452)

Interurban Properties Proprietary Limited

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Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

Figures in R	Issued capital	Retained income	Total
Balance at 1 March 2019	55,918,406	10,241,749	66,160,155
Changes in equity			
Loss for the year	-	(7,452)	(7,452)
Total comprehensive income	-	(7,452)	(7,452)
Purchase of own shares	(55,918,286)	-	(55,918,286)
Balance at 29 February 2020	120	10,234,297	10,234,417
Balance at 1 March 2020	120	10,234,297	10,234,417
Changes in equity			
Loss for the year	-	(7,452)	(7,452)
Total comprehensive income	-	(7,452)	(7,452)
Balance at 28 February 2021	120	10,226,845	10,226,965

Notes **8**

Interurban Properties Proprietary Limited

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Financial Statements for the year ended 28 February 2021

Accounting Policies

1. General information

The company is incorporated as a private company and domiciled in South Africa. The address of its registered office is 411 The Hills, Buchanan Square, 160 Sir Lowry Road, Woodstock, Cape Town, 7925.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Interurban Properties Proprietary Limited have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Financial instruments

Loans to (from) group companies

These can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group company is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

The loans from group companies are classified as debt instruments, and are initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

Loans to (from) shareholders

The loan to shareholder is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

The loan from shareholder is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

Other financial assets

Other financial assets are recognised initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Other financial liabilities

Other financial liabilities are recognised initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

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Accounting Policies

Debt instruments are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Issued capital

Ordinary shares are classified as equity.

2.2 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.3 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant estimates and adjustments have been applied in the preparation of these financial statements.

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Financial Statements for the year ended 28 February 2021

Notes to the Financial Statements

Figures in R

2021

2020

4. Deferred tax

4.1 Details of set-off of deferred tax assets and liabilities

Tax losses available for set off against future taxable income

15,903

13,005

Total deferred tax asset per the statement of financial position

15,903

13,005

4.2 Reconciliation of deferred tax movements

Opening balance at 1 March 2020

Deferred tax

Total

13,005

13,005

(Charged) / credited to profit or loss

2,898

2,898

Closing balance at 28 February 2021

15,903

15,903

5. Financial assets

Carrying amount of financial assets by category

Year ended 28 February 2021

Debt instruments at amortised cost

Total

Other financial assets (Note 7)

1,608,260

1,608,260

Loans to shareholders (Note 6)

8,623,502

8,623,502

10,231,762

10,231,762

Year ended 29 February 2020

Debt instruments at amortised cost

Total

Other financial assets (Note 7)

1,608,260

1,608,260

Loans to shareholders (Note 6)

8,623,502

8,623,502

10,231,762

10,231,762

6. Loan to shareholder

Loan to shareholder comprise the following balances

I Group Consolidated Holdings Proprietary Limited

8,623,502

8,623,502

This fluctuating loan bears interest at fluctuating rates. There are no fixed repayment terms.

8,623,502

8,623,502

Interurban Properties Proprietary Limited

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Notes to the Financial Statements

Figures in R	2021	2020
7. Other financial assets		
Other financial assets incorporates the following balances:		
Zelpy 2127 Proprietary Limited	1,608,260	1,608,260
This fluctuating loan bears interest at fluctuating rates. There are no fixed repayment terms.		
	<u>1,608,260</u>	<u>1,608,260</u>
8. Issued capital		
Authorised and issued share capital		
Authorised		
1,000 Ordinary shares of R1 each	1,000	1,000
880 unissued shares are under control of the director in terms of a resolution of members passed at the last annual general meeting. The authority remains in force until the next annual general meeting.		
Issued		
120 Ordinary shares of R1 each	<u>120</u>	<u>120</u>
9. Financial liabilities		
Carrying amount of financial liabilities by category		
	Debt instruments at amortised cost	Total
Year ended 28 February 2021		
Loans from group companies (Note 10)	<u>20,700</u>	<u>20,700</u>
	<u>20,700</u>	<u>20,700</u>
Year ended 29 February 2020		
Loan from group company (Note 10)	<u>10,350</u>	<u>10,350</u>
10. Loans from group companies		
Loans from group companies comprise:		
I Group Financial Holdings Proprietary Limited	10,350	10,350
U Big Investments Proprietary Limited	10,350	-
These fluctuating loans bear interest at fluctuating rates. There are no fixed repayment terms.		
	<u>20,700</u>	<u>10,350</u>

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Notes to the Financial Statements

Figures in R

2021

2020

11. Income tax credit

11.1 Income tax recognised in profit or loss:

Deferred tax

Originating and reversing temporary differences

2,898

2,898

Total income tax credit

2,898

2,898

11.2 Assessed tax loss

The company has not provided for income tax in the current and prior years as there was an assessed loss recognised.

The accumulated assessed loss available for set-off against future assessed profits is as follows:

56,796

46,446

12. Related parties

12.1 Group companies

Parent company

I Group Consolidated Holdings Proprietary Limited

12.2 Other related parties

Entity name

Nature of relationship

I Group Financial Holdings Proprietary Limited

Fellow subsidiary

U Big Investments Proprietary Limited

Fellow subsidiary

12.3 Related party transactions and balances

	Parent	Fellow subsidiaries	Total
Year ended 28 February 2021			
Outstanding loan accounts			
Amounts payable		(20,700)	(20,700)
Amounts receivable	8,623,502	-	8,623,502
Year ended 29 February 2020			
Outstanding loan accounts			
Amounts payable	-	(10,350)	(10,350)
Amounts receivable	8,623,502	-	8,623,502

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Detailed Income Statement

Figures in R	Note	2021	2020
Administrative expenses			
Accounting fees		(10,350)	(10,350)
Total administrative expenses		<u>(10,350)</u>	<u>(10,350)</u>
Loss from operating activities		<u>(10,350)</u>	<u>(10,350)</u>
Loss before tax		<u>(10,350)</u>	<u>(10,350)</u>
Income tax	11		
Deferred tax		2,898	2,898
Total income tax credit		<u>2,898</u>	<u>2,898</u>
Loss for the year		<u>(7,452)</u>	<u>(7,452)</u>