



N V PROPERTIES (PTY) LTD AND ITS SUBSIDIARIES

(Registration number 1991/000649/07)
Consolidated Annual Financial Statements
for the year ended 29 February 2024

These consolidated annual financial statements were prepared by:
Eugene Samuel George Birch
Registered Auditor
Chartered Accountant (SA)
Issued 05 August 2024

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Property investment holding, development and rental company
Director	V Nassimov
Shareholder	Craighall Finance Incorporated
Group structure	N V Properties (Pty) Ltd owns 100% of the shareholding for the below subsidiaries within the group: Chamber Lane Properties 11 (Pty) Ltd Emerald Sky Trading 56 (Pty) Ltd Linscan Trading (Pty) Ltd Sani Pass Hotel (Pty) Ltd
Bankers	ABSA Bank Limited The Standard Bank of South Africa Limited
Registered office	339 Main Road Premier House Sea Point Western Cape 8005
Business address	339 Main Road Premier House Sea Point Western Cape 8005
Postal address	PO Box 21 Sea Point Western Cape 8005
Company registration number	1991/000649/07
Tax reference number	9421/068/84/3
Auditor	Birch Chartered Accountants Inc. Nicole Susan Channon Registered Auditor Chartered Accountant (SA)
Compiler	The consolidated annual financial statements were independently compiled by: Eugene Samuel George Birch Registered Auditor Chartered Accountant (SA)
Level of assurance	These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Index

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

	Page
Director's Responsibilities and Approval	3
Director's Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 19
Notes to the Consolidated Annual Financial Statements	20 - 39

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Director's Responsibilities and Approval

The director is required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is his responsibility to ensure that the consolidated 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied 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 consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 28 February 2025 and, in light of this review and the current financial position, he is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's consolidated annual financial statements. The consolidated annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The consolidated annual financial statements set out on pages 8 to 39, which have been prepared on the going concern basis, were approved by the director on 05 August 2024 and were signed by:



V Nassimov

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Director's Report

The director submits his report on the consolidated annual financial statements of N V Properties (Pty) Ltd and its subsidiaries for the year ended 29 February 2024.

1. Nature of business

N V Properties (Pty) Ltd and its subsidiaries was incorporated and operates in South Africa and owns property with the purpose of collecting rental income.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual financial statements.

3. Share capital

	2024	2023
Authorised	Number of shares	
4,000 Ordinary shares of no par value	4,000	4,000

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

	2024	2023	2024	2023
Issued	%	%	Number of shares	
Craighall Finance Incorporated	100	100	496	496

There have been no changes to the authorised or issued share capital during the year under review.

4. Group structure

N V Properties (Pty) Ltd owns 100% of the shareholding for the below subsidiaries within the group:

- Chamber Lane Properties 11 (Pty) Ltd
- Emerald Sky Trading 56 (Pty) Ltd
- Linscan Trading (Pty) Ltd
- Sani Pass Hotel (Pty) Ltd

5. Directorate

The director in office at the date of this report is as follows:

Name
V Nassimov

There have been no changes to the directorate for the year under review.

6. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Director's Report

7. Going concern

The consolidated 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 group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The director has satisfied himself that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the group. 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 group.

8. Auditors

Birch Chartered Accountants Inc. were in office as auditors for the group for 2024.

Independent Auditor's Report

To the shareholder of N V Properties (Pty) Ltd and its subsidiaries

Report on the Audit of the Consolidated Annual Financial Statements

Opinion

We have audited the consolidated annual financial statements of N V Properties (Pty) Ltd and its subsidiaries set out on pages 8 to 39, which comprise the statement of financial position as at 29 February 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated annual financial statements, including material accounting policy information.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of N V Properties (Pty) Ltd and its subsidiaries as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of consolidated annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Director for the Consolidated Annual Financial Statements

The director is responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008, and for such internal control as the director determines is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the director is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Nicole Susan Channon Bcom PGDip Tax PGDipAcc CA(SA) RA
Business Advisors, Chartered Accountants, Registered Auditors,
Tax Practitioners and Training Officers
Practise Registration Number: 903170



Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nicole Susan Channon has been the designated auditor of N V Properties (Pty) Ltd and its subsidiaries for the consolidated annual financial statements for 1 year.

Birch CA Inc.

Birch Chartered Accountants Inc.
Nicole Susan Channon
Registered Auditor
Chartered Accountant (SA)

05 August 2024
East London

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Statement of Financial Position as at 29 February 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Biological assets	3	-	6,566,194
Deferred tax asset	4	140,528,232	141,821,389
Financial assets	5	5,519,633	4,712,216
Investment property	6	2,721,561,552	2,315,647,450
Loans to related parties	7	6,837,607	27,348,356
Property, plant and equipment	8	29,323,564	24,879,401
		2,903,770,588	2,520,975,006
Current Assets			
Cash and cash equivalents	9	9,243,656	28,770,814
Trade and other receivables	10	59,684,446	51,974,181
		68,928,102	80,744,995
Total Assets		2,972,698,690	2,601,720,001
Equity and Liabilities			
Equity			
Share capital	11	1,980,100	1,980,100
Retained income		1,022,113,832	771,574,291
		1,024,093,932	773,554,391
Liabilities			
Non-Current Liabilities			
Deferred tax liability	4	412,285,523	339,038,652
Loans from related parties	12	1,056,219,651	935,402,065
Financial liabilities	13	368,474,670	484,194,414
		1,836,979,844	1,758,635,131
Current Liabilities			
Current tax payable		470,877	-
Financial liabilities	13	77,310,020	48,480,560
Trade and other payables	14	33,844,017	21,049,919
		111,624,914	69,530,479
Total Liabilities		1,948,604,758	1,828,165,610
Total Equity and Liabilities		2,972,698,690	2,601,720,001

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue			
Rental income		220,047,356	153,561,831
Other operating income			
Other income		3,236,268	8,271,088
Other operating expenses			
Auditor's remuneration		189,993	185,123
Bad debts		44,138,829	(300)
Bank charges		1,249,594	883,570
Cleaning		257	5,484
Commission paid		11,342	43,761
Computer expenses		101,030	41,294
Delivery expenses		6,073	5,245
Depreciation	8	10,515,261	10,966,151
Employee costs	21	3,603,877	1,336,011
Entertainment		21,248	97,815
Fines and penalties		-	3,465
Impairment of accruals		1,597,646	-
Insurance		177,067	92,675
Lease rentals on operating leases		3,562,400	3,087,154
Levies		4,360,659	5,137,844
Licenses and permits		-	3,021
Loss on disposal of biological assets		9,105,158	-
Minor assets		71,902	-
Motor vehicle expenses		8,586	83,116
Municipal expenses		3,507,084	962,442
Printing and stationery		13,587	9,406
Rates and taxes		10,151,912	10,219,335
Remuneration, other than to employees	22	5,247,223	3,649,762
Repairs and maintenance		4,703,352	963,460
Security		178,354	226,399
Subscriptions		7,372	4,240
Telephone and fax		25,815	3,267
Transport and freight		105,476	-
Travel - local		362,470	1,019,037
		103,023,567	39,028,777
Operating profit		120,260,057	122,804,142
Fair value adjustments	15	386,303,650	-
Investment income	16	2,170,856	3,725,776
Finance costs	17	(182,512,041)	(142,343,176)
Profit (loss) before taxation		326,222,522	(15,813,258)
Taxation	18	(75,682,979)	12,694,207
Profit (loss) for the year		250,539,543	(3,119,051)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		250,539,543	(3,119,051)

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 March 2022	496	1,979,604	1,980,100	774,693,342	776,673,442
Loss for the year	-	-	-	(3,119,051)	(3,119,051)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	(3,119,051)	(3,119,051)
Balance at 01 March 2023	496	1,979,604	1,980,100	771,574,289	773,554,389
Profit for the year	-	-	-	250,539,543	250,539,543
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	250,539,543	250,539,543
Balance at 29 February 2024	496	1,979,604	1,980,100	1,022,113,832	1,024,093,932

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash generated from operations	19	168,863,181	150,705,044
Interest income	16	2,170,856	3,691,327
Finance costs	17	(182,512,041)	(142,343,176)
Tax paid		(672,074)	-
Net cash from operating activities		(12,150,078)	12,053,195
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(14,959,424)	(7,519,831)
Purchase of investment property	6	21,763,051	(21,228,990)
Purchase of biological assets	3	(386,366)	-
Net movement in loans to related parties	7	20,510,749	209,690,675
Net movement in financial assets	5	(807,417)	863,174
Net cash from investing activities		26,120,593	181,805,028
Cash flows from financing activities			
Net movement in loans from related parties	12	117,780,244	-
Net movement in financial liabilities	13	(86,890,284)	(188,915,126)
Net cash from financing activities		30,889,960	(188,915,126)
Total cash movement for the year		(19,527,158)	4,943,097
Cash and cash equivalents at the beginning of the year		28,770,814	23,827,717
Cash and cash equivalents at the end of the year	9	9,243,656	28,770,814

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

Preparation of the financial statements

The principal accounting policies applied in the preparation of the consolidated annual financial statements are set out in the notes to the annual consolidated financial statements. The consolidated annual financial statements were authorised for issue by the director on 05 August 2024.

1. Basis of preparation

1.1 Reporting entity

N V Properties (Pty) Ltd domiciled in the Republic of South Africa. The consolidated annual financial statements include the financial statements of N V Properties (Pty) Ltd ("N V" or "the company"), and its subsidiary companies (together referred to as the group and individually as group companies). Where reference is made to the "group", this means the company or the group as appropriate in the context in which it applies. Subsidiaries are set out in the directors' report.

1.2 Statement of compliance

The consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standard Committee interpretations, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, 71 of 2008.

1.3 Basis of consolidation

The consolidated annual financial statements include the assets, liabilities and results of operations of the holding company and its subsidiaries. A separate set of annual financial statements is drafted and signed on the same day as the consolidated financial statements.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

1.4 Basis of measurement

The consolidated annual financial statements are prepared on the historical cost basis, unless otherwise stated. The accounting policies set out below have been applied consistently to all periods presented in these consolidated annual financial statements. The consolidated annual financial statements are prepared on the basis that the group is a going concern.

1.5 Functional and presentation currency

All items in the consolidated annual financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated annual financial statements are presented in SA Rand, which is N V Properties (Pty) Ltd's functional currency and the group's presentation currency.

1.6 Use of estimates and judgements

Significant estimates

The most significant estimates and assumptions that may have a material impact on the financial statements are as follows:

Valuation of investment property

The director has used the best available evidence to determine the fair value of investment properties as set out in note 6 to the financial statements. This includes current market prices for properties with similar characteristics and leases and cash flow projections. As the available information is not directly comparable, the amounts are determined within a reasonable range of fair value. The principal assumptions underlying the director's estimation of fair value are disclosed in note 6 and include the receipt of contracted rentals, lease renewals, maintenance requirements, operational costs and appropriate discount and exit capitalisation rates.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.7 Biological assets

Biological assets for which fair value is determinable without undue cost or effort are measured at fair value less costs to sell, with changes in fair value recognised in profit or loss. All other biological assets are measured at cost less accumulated depreciation and accumulated impairment losses.

The fair value of game livestock is determined based on market prices of game livestock of similar age, breed and genetic merit.

1.8 Investment property

Investment property is property (land and buildings) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

On initial recognition, the investment property is measured at cost. The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that it will result in future economic benefits and such expenditure can be measured reliably. All other subsequent expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequently, investment property is measured at fair value. Fair values are determined by external independent registered valuers and internally by the director on the open market value basis. The valuers and/or director use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine the fair value.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise. Investment property is maintained, upgraded and refurbished where necessary in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

Realised gains or losses on the disposal of investment property are recognised in profit for the year and are calculated as the difference between the proceeds and the carrying amount of the investment property as determined at the last valuation date.

When the group begins to redevelop an existing investment property for continued future use as investment property, the property remains investment property which is measured based on the fair value model and is not reclassified as property, plant and equipment during the redevelopment.

1.9 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

Depreciation is calculated by allocating the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value on a systematic basis over the useful life of the asset. Depreciation is recognised in profit or loss on a straight-line basis over the current estimated useful lives of each significant component of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.9 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Hotel equipment	Straight line	5 years
IT equipment	Straight line	3 years
Kitchen equipment	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Plant and machinery	Straight line	5 years
Recreational equipment	Straight line	5 years
Security equipment	Straight line	5 years
Spa equipment	Straight line	5 years
Telephone equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.10 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.11 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.11 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to related parties (note 7) and financial assets (note 5) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.11 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from related parties (note 12) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 17.)

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 17).

Financial liabilities

Classification

Financial liabilities (note 13) which are held for trading are classified as financial liabilities mandatorily at amortised cost.

Recognition and measurement

Financial liabilities at amortised cost are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at amortised cost.

Interest paid on financial liabilities at amortised cost is included in finance costs (note 17).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are carried at amortised cost which approximates fair value.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.12 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

When management assess the extent to which it is probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.13 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.13 Leases (continued)

Company as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

The group is party to numerous leasing contracts as the lessor of property. All leases are operating leases, which are those leases where the group retains a significant portion of the risks and rewards of ownership.

The group allocates the consideration to each lease and non lease component based on the amount as stipulated in the lease agreement as the rental for the asset is separate from the recovery of expenses.

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Modifications to an operating lease are accounted for from the effective date of the modification, considering any lease income received in advance or accrued lease payments relating to the original lease as part of the lease payments for the modification.

1.14 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.

Impairment losses are recognised immediately in profit or loss.

1.15 Share capital and equity

Ordinary shares are recognised at no par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.16 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The Group does not provide any retirement or post-retirement benefits.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Accounting Policies

1.17 Revenue from contracts with customers

Revenue comprises rental income and recovery of expenses, excluding value added tax ("VAT").

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Tenant recoveries are levied monthly in arrears as a result of the group recovering costs of providing the tenant with services as determined by the lease agreement. The group negotiates the terms of the service, manages the relationship with the suppliers and is liable for payment (even if the property is vacant or the expense is not recovered from the tenant), and therefore maintains primary responsibility for providing the service. The group acts as a principal on its own account when recovering operating costs from the tenant. The frequency and value of these recoveries are not detailed in the lease agreements as they are based on actual expenses incurred, therefore revenue from recoveries is accounted for in accordance with IFRS 15.

Revenue is recognised when a lease is signed and the tenant has taken occupation of the premises. Rental and recoveries are billed on a monthly basis and payment is due within the month depending on the terms of the lease.

1.18 Finance income and finance costs

Finance income comprises interest income on bank balances, interest on interest rate swaps. Interest income is recognised as it accrues in profit or loss using the effective interest method.

Finance costs comprise interest expense on bank balances, interest on related party loans and bank loans. Finance costs are expensed in the period in which they are incurred. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised to the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

2. Changes in accounting policy

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards including the following new or revised standards.

Disclosure of accounting policies: Amendments to IAS 1 and Practice Statement 2

The group adopted the amendments to IAS 1 and Practice Statement 2, which now require that only material accounting policy information shall be disclosed in the consolidated annual financial statements. The amendment did not result in changes to measurement or recognition of financial statement items, but management reviewed the accounting policies and made changes to ensure that only material accounting policy information is disclosed.

3. Biological assets

Reconciliation of biological assets - 2024

	Opening balance	Additions	Disposals	Fair value adjustment	Total
Game livestock	6,566,194	386,366	(9,105,158)	2,152,598	-

Reconciliation of biological assets - 2023

	Opening balance	Total
Game livestock	6,566,194	6,566,194

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
4. Deferred tax		
Deferred tax asset		
Arising as a result of temporary differences on:		
Doubtful debt provision	8,778	8,572
Tax losses available for set off against future taxable income	140,519,454	141,812,817
Total deferred tax asset	140,528,232	141,821,389
Deferred tax liability		
Arising as a result of temporary differences on:		
Biological assets	-	(1,416,138)
Investment property	(412,285,523)	(337,622,514)
Total deferred tax liability	(412,285,523)	(339,038,652)
Deferred tax asset	140,528,232	141,821,389
Deferred tax liability	(412,285,523)	(339,038,652)
Total net deferred tax liability	(271,757,291)	(197,217,263)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(197,217,263)	(209,911,470)
Recognised in profit or loss:		
Movement in doubtful debt provision	206	(317)
Movement in tax loss available for set off against future taxable income - gross of valuation allowance	(1,740,816)	17,565,385
Movement in temporary differences on biological assets	1,416,138	52,449
Movement in temporary differences on investment property	(74,215,556)	(4,923,310)
At end of year	(271,757,291)	(197,217,263)

Change in tax rate

The corporate tax rate was changed from 28% to 27% and considered substantively enacted on 31 March 2023. The new rate is effective for tax years ending 31 March 2023. The deferred tax balance has been calculated by applying the new rate, taking the expected timing of reversal of deferred tax components into consideration.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
5. Financial assets		
Hotel Reservation Worldwide (Pty) Ltd	296,845	296,845
Premier Hotel Umhlanga (Pty) Ltd	1,258,315	1,258,315
Splendid Inn by Premier Umhlanga (Pty) Ltd	918,152	918,152
The above loans are unsecured, interest free and are repayable at the end of the lease term.		
Premier Hotel Employees Education Trust	1,764,169	1,571,462
The loan is unsecured, bears interest at a rate linked to the prime interest rate and is repayable on demand.		
Samuel Nassimov Family Trust	1,282,152	-
The loan is unsecured, interest free and is repayable on demand.		
Splendid Inn by Premier Umhlanga (Pty) Ltd	-	25,654
Zitoprox (Pty) Ltd	-	641,788
The above loans have been settled in full during the current financial year.		
	5,519,633	4,712,216
Split between non-current and current portions		
Non-current assets	5,519,633	4,712,216

Exposure to credit risk

Financial assets inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due. The financial assets show no sign of impairment and are not past due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained in all cases. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for financial assets is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

The group does not hold collateral or other credit enhancements against financial assets.

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

5. Financial assets (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Lifetime ECL

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for financial assets by credit rating grade:

2024

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount	Amortised cost
Hotel Reservation Worldwide (Pty) Ltd	N/A	Lifetime ECL	296,845	296,845
Premier Hotel Umhlanga (Pty) Ltd		Lifetime ECL	1,258,315	1,258,315
Premier Hotel Employees Education Trust	N/A	Lifetime ECL	1,764,169	1,764,169
Samuel Nassimov Family Trust	N/A	Lifetime ECL	1,282,152	1,282,152
Splendid Inn by Premier Umhlanga (Pty) Ltd	N/A	Lifetime ECL	918,152	918,152
			5,519,633	5,519,633

2023

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount	Amortised cost
Hotel Reservation Worldwide (Pty) Ltd	N/A	Lifetime ECL	296,845	296,845
Premier Hotel Umhlanga (Pty) Ltd		Lifetime ECL	1,258,315	1,258,315
Premier Hotel Employees Education Trust	N/A	Lifetime ECL	1,571,462	1,571,462
Premier Hotel Umhlanga (Pty) Ltd	N/A	Lifetime ECL	25,654	25,654
Splendid Inn by Premier Umhlanga (Pty) Ltd	N/A	Lifetime ECL	918,152	918,152
Zitoprox (Pty) Ltd	N/A	Lifetime ECL	641,788	641,788
			4,712,216	4,712,216

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

6. Investment property

	2024			2023		
	Cost	Revaluation	Carrying value	Cost	Revaluation	Carrying value
Investment property	1,684,104,027	1,037,457,525	2,721,561,552	1,662,340,976	653,306,474	2,315,647,450

Reconciliation of investment property - 2024

	Opening balance	Additions	Fair value adjustments	Total
Investment property	2,315,647,450	21,763,051	384,151,051	2,721,561,552

Reconciliation of investment property - 2023

	Opening balance	Additions	Total
Investment property	2,294,418,460	21,228,990	2,315,647,450

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property (continued)		
Details of property		
Erf 39719, East London		
The property is pledged as security over the GBS Mutual Bank and ABSA Bank Limited loans. Refer to note 13.		
Premier Hotel Regent		
- Cost	652,152	652,152
- Capitalised expenditure	42,507,304	40,536,912
- Fair value adjustment	131,430,151	104,984,056
	174,589,607	146,173,120
Premier Hotel ELICC and the International Convention Centre		
- Capitalised expenditure	298,925,320	300,480,250
- Fair value adjustment	285,685,072	245,478,140
	584,610,392	545,958,390
	759,199,999	692,131,510
Stand 1413, Halfway Gardens Extension 20, Gauteng		
The property is pledged as security over the ABSA Bank Limited loan. Refer to note 13.		
Premier Hotel Midrand		
- Cost	58,975,666	58,975,666
- Capitalised expenditure	1,225,535	518,571
- Fair value adjustment	73,798,799	125,816,423
	134,000,000	185,310,660
Erf 592, Cape Town		
The property is pledged as security over the ABSA Bank Limited loan. Refer to note 13.		
Premier Hotel Cape Town		
- Cost	17,200,000	17,200,000
- Capitalised expenditure	51,359,734	50,277,610
- Fair value adjustment	251,440,266	51,304,634
	320,000,000	118,782,244
Erf 136 & 137, Morningside		
Premier Hotel Quartermain		
- Cost	97,072,774	97,072,774
- Capitalised expenditure	7,669,482	7,694,853
- Fair value adjustment	(10,742,256)	-
	94,000,000	104,767,627
Erf 1253 & 901, Scottburgh		
Premier Hotel Cutty Sark		
- Cost	21,080,337	21,080,337
- Capitalised expenditure	72,591,795	69,183,992
- Fair value adjustment	18,327,868	-
	112,000,000	90,264,329

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property (continued)		
Erf 1389, 1 George Rex Drive, Knysna		
The property is pledged as security over the First National Bank loan. Refer to note 13.		
Premier Resort Knysna - The Moorings		
- Land cost	36,091,013	36,091,013
- Construction cost	24,894,763	24,894,763
- Development costs	48,881,802	48,045,618
- Fair value adjustment	(2,858,568)	46,310,690
	107,009,010	155,342,084
Sectional Title Unit 32 SS The Moorings		
- Cost	1,687,994	-
- Fair value adjustment	252,396	-
	1,940,390	-
Sectional Title Unit 22 SS The Moorings		
- Cost	1,501,753	1,501,753
- Fair value adjustment	839,902	-
	2,341,655	1,501,753
Sectional Title Unit 208 SS The Moorings		
- Cost	1,225,017	1,225,017
- Fair value adjustment	685,128	-
	1,910,145	1,225,017
Portion 28 and 264 of ERF 2426, Umhlanga Rocks		
- Cost	16,276,054	16,276,054
- Construction cost	242,211,387	240,403,418
- Fair value adjustment	98,512,558	13,882,800
	356,999,999	270,562,272
Erf 334, 65 Gladiator Street, Rhodesfield, Johannesburg		
- Cost	450,000	450,000
- Capitalised expenditure	8,309	8,309
	458,309	458,309
Erf 575, 4 Meteor Street, Rhodesfield, Johannesburg		
- Cost	2,050,000	2,050,000
- Capitalised expenditure	112,946	112,946
	2,162,946	2,162,946
Erf 576, 74 Gladiator Street, Rhodesfield, Johannesburg		
- Cost	2,000,000	2,000,000
- Capitalised expenditure	92,247	92,247
	2,092,247	2,092,247
Farm 7168, FS Pietermaritzburg		
Premier Resort Sani Pass		
- Cost	63,170,303	63,170,303
- Capitalised expenditure	71,785,065	70,838,087
- Fair value adjustment	(15,955,368)	-
	119,000,000	134,008,390

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property (continued)		
Erf 615, 616 & 26233, Bloemfontein		
Splendid Inn Bloemfontein		
- Cost	19,399,520	19,399,520
- Capitalised expenditure	66,538,330	66,305,629
- Fair value adjustment	(30,937,850)	-
	55,000,000	85,705,149
Erf 1273, Pretoria		
The property is pledged as security over the ABSA Bank Limited loan. Refer to note 13.		
Premier Hotel Pretoria		
- Cost	7,332,540	7,332,540
- Capitalised expenditure	37,564,946	36,557,009
- Fair value adjustment	58,102,514	26,110,451
	103,000,000	70,000,000
Farm 7 Portion 1, Farm 8, Farm 9 Portion 1, Farm 1492, Farm 1444, Farm 272 Portions 1 & 5, Farm 1318		
Mpongo Private Game Reserve		
- Cost	68,752,578	68,752,578
- Capitalised expenditure	1,143,575	429,052
	69,896,153	69,181,630
Erf 16668 & Erf 35 Portion 7, Richards Bay		
Erf 35 is pledged as security over First National Bank loan. Refer to note 13.		
Premier Hotel The Richards		
- Cost	47,404,754	47,404,754
- Capitalised expenditure	1,183,186	99,745
- Fair value adjustment	41,412,060	-
	90,000,000	47,504,499
Erf 148, Morningside		
Premier Hotel Falstaff		
- Cost	33,004,743	33,004,743
- Capitalised expenditure	5,076,244	5,076,244
- Fair value adjustment	(16,080,987)	-
	22,000,000	38,080,987
Portion 81 (A portion of portion 19) of Farm Zeekoegat 296		
Premier Hotel Roodevalley		
- Cost	24,268,193	24,268,193
- Capitalised expenditure	11,937,661	10,828,161
- Fair value adjustments	28,794,146	-
	65,000,000	35,096,354
Erf 519, Cape Town		
15 Oliver Road Apartments		
- Cost	2,336,749	2,336,749
- Capitalised expenditure	33,988,668	30,467,027
- Fair value adjustments	4,201,882	4,201,882
	40,527,299	37,005,658

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property (continued)		
Erf 591, Cape Town		
Wingate Units		
- Cost	15,920,635	15,920,635
- Fair value adjustments	11,336,750	11,336,750
	27,257,385	27,257,385
Portion 16 of Farm Beers Rust No. 53, White River		
Premier Hotel The Winkler		
- Cost	26,612,326	26,612,326
- Capitalised expenditure	2,887,972	1,104,542
- Fair value adjustments	39,499,702	-
	69,000,000	27,716,868
Erf 9059 & Erf 36, Richards Bay		
Splendid Inn The Bayshore		
- Cost	26,884,594	26,884,594
- Fair value adjustments	51,115,406	-
	78,000,000	26,884,594
Erf 16839, East London		
Portion of Erf 69719		
- Fair value adjustment	25,000,000	25,000,000
Erf 26200, East London		
- Cost	7,464,211	7,464,211
- Capitalised expenditure	7,549,033	7,549,033
- Fair value adjustments	(3,961,000)	(3,961,000)
	11,052,244	11,052,244
Erf 660, 661 & 662, Johannesburg		
- Cost	6,249,035	6,249,035
Erf 16-19, Himeville		
- Cost	4,153,719	4,153,719
- Capitalised expenditure	2,051,088	346,593
	6,204,807	4,500,312
Erf 666 & 667, Johannesburg		
- Cost	4,065,885	4,065,885
Erf 69987, East London		
- Cost	30,000	30,000
- Fair value adjustments	2,470,000	2,470,000
	2,500,000	2,500,000
Erf 657, East London		
- Cost	1,629,240	1,629,240
- Fair value adjustments	370,760	370,760
	2,000,000	2,000,000

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property (continued)		
Unit 125 - 132, Ocean View Villas		
- Cost	1,605,490	1,605,490
Sectional title Unit 31, 51, 52 and 101, SS The Moorings		
- Cost	4,775,000	80,000
- Capitalised expenditure	437,266	350,644
- Fair value adjustments	1,409,734	-
	6,622,000	430,644
Erf 18756 & Erf 28869, George		
- Cost	22,500,000	22,500,000
- Capitalised expenditure	6,192,430	199,715
- Fair value adjustments	(6,692,430)	-
	22,000,000	22,699,715
Construction contracts		
Work in progress - External contracts	1,466,554	12,501,613

Details of valuation

The effective date of the valuations was 28 February 2024. Valuations on the full property portfolio were performed by the independent valuers of de Leeuw Group Valuers Cape Town Proprietary Limited (company registration number 2015/285229/07), Pieter Venter MRICS, Pr Val, MIVSA and Gemma Moore MRICS, Pr Val, MIVSA. The external valuers are not connected to the group.

The valuation approach used by the independent valuers makes use of the Income Approach using the Discounted Cash Flow (DCF) method, which values the property by discounting the cash flows of future income streams of income streams of the property, taking into account expected rental and expense growth rates, vacancies and costs not recoverable from tenants.

The discounted cash flow valuations are tested for reasonableness by benchmarking against recent comparable sales activity and available market surveys and comparing the discounted cash flow values to the capitalised cash flow values.

The capitalised cash flow values are calculated by applying appropriate capitalisation rates to the future earnings potential of the property.

The fair value of investment property would be affected by:

- Change in expected market rental growth;
- Change in expected expense growth;
- Occupancy, vacancy and beneficial occupancy periods; and
- Change in discount and capitalisation rates.

Inputs applied to the valuation are as follows:

- Capitalisation rates - 9 - 11%
- Rental growth - 6 - 8%
- Expense growth - 6%
- Discount rate - 13 - 15%

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
7. Loans to related parties		
Other related parties		
Bentiglo (Pty) Ltd	726,022	421,568
Buntiflo (Pty) Ltd	3,216,450	2,865,028
Sorpen Property Holdings (Pty) Ltd	-	1,501,319
Splendid Hotels and Lodges (Pty) Ltd	1,794,475	848,707
The above loans are unsecured, bear interest at a rate linked to the prime interest rate and are repayable on demand.		
Faircity Hotels (Pty) Ltd	300,000	-
Netcopath (Pty) Ltd	264,768	264,768
Splendid Inns (Pty) Ltd	475,000	615,000
Windsharp Trading 33 (Pty) Ltd	-	3,792,063
Zitoscape (Pty) Ltd	60,892	560,892
The above loans are unsecured, interest free and are repayable on demand.		
Zitoprox (Pty) Ltd	-	1,101,325
The above loan is unsecured, bears interest at a rate linked to the prime interest rate and was repaid in full during the current year.		
Cutty Sark Hotel (Pty) Ltd	-	372,619
Faircity Hotel Roodevalley (Pty) Ltd	-	1,264,250
Mpongo Private Game Reserve (Pty) Ltd	-	633,210
Newlicel (Pty) Ltd	-	1,057,942
Northern Lights Trading 77 (Pty) Ltd 41,715	-	41,715
Nungu Trading 195 (Pty) Ltd	-	135,879
Premier Hotel Falstaff (Pty) Ltd	-	384,407
Premier Hotel Quartermain (Pty) Ltd	-	1,535,568
Premier Hotel Roodevalley (Pty) Ltd	-	1,310,367
Premier International Hotels and Resorts (Pty) Ltd	-	859,759
Splendid Inns (Pty) Ltd	-	620,595
Summer Season Trading 120 (Pty) Ltd	-	1,135,754
Windsharp Trading 33 (Pty) Ltd	-	432,891
Zitorite (Pty) Ltd	-	928,762
Zitoscape (Pty) Ltd	-	1,414,074
The above loans are unsecured, interest free and are repayable at the end of the lease term.		
Faircity Hotels (Pty) Ltd	-	80,500
Mpongo Private Game Reserve (Pty) Ltd	-	447,319
Summer Season Trading 120 (Pty) Ltd	-	2,722,075
The above loans are unsecured, interest free and were repaid in full during the current year.		
	6,837,607	27,348,356
Split between non-current and current portions		
Non-current assets	6,837,607	27,348,356

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

7. Loans to related parties (continued)

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due. The loans receivable show no sign of impairment and are not past due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The group does not hold collateral or other credit enhancements against group loans receivable.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Lifetime ECL

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

7. Loans to related parties (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2024

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount	Amortised cost
Loans to related parties				
Other related parties	N/A	Lifetime ECL	6,837,607	6,837,607

2023

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount	Amortised cost
Other related parties	N/A	Lifetime ECL	27,348,356	27,348,356

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand 2024 2023

8. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	61,625,800	(52,090,878)	9,534,922	56,538,784	(49,025,747)	7,513,037
Hotel equipment	22,513,948	(14,828,921)	7,685,027	17,990,027	(12,930,578)	5,059,449
IT equipment	14,634,692	(12,204,537)	2,430,155	13,425,240	(11,011,695)	2,413,545
Kitchen equipment	7,524,681	(5,071,650)	2,453,031	6,818,725	(3,932,838)	2,885,887
Motor vehicles	8,722,318	(7,216,339)	1,505,979	8,480,958	(6,266,700)	2,214,258
Office equipment	779,740	(704,822)	74,918	779,740	(633,999)	145,741
Plant and machinery	10,797,285	(5,991,784)	4,805,501	8,193,806	(4,522,317)	3,671,489
Recreational equipment	557,771	(492,566)	65,205	484,521	(482,606)	1,915
Security equipment	1,390,167	(749,814)	640,353	1,258,583	(485,371)	773,212
Spa equipment	72,077	(72,077)	-	72,077	(72,077)	-
Telephone equipment	1,277,375	(1,148,902)	128,473	1,277,375	(1,076,507)	200,868
Total	129,895,854	(100,572,290)	29,323,564	115,319,836	(90,440,435)	24,879,401

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	7,513,037	5,008,846	(2,986,961)	9,534,922
Hotel equipment	5,059,449	4,353,256	(1,727,678)	7,685,027
IT equipment	2,413,545	1,592,855	(1,576,245)	2,430,155
Kitchen equipment	2,885,887	800,518	(1,233,374)	2,453,031
Motor vehicles	2,214,258	319,531	(1,027,810)	1,505,979
Office equipment	145,741	76,103	(146,926)	74,918
Plant and machinery	3,671,489	2,603,480	(1,469,468)	4,805,501
Recreational equipment	1,915	73,250	(9,960)	65,205
Security equipment	773,212	131,585	(264,444)	640,353
Telephone equipment	200,868	-	(72,395)	128,473
	24,879,401	14,959,424	(10,515,261)	29,323,564

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	10,458,006	1,029,874	(3,974,843)	7,513,037
Hotel equipment	3,014,827	3,185,920	(1,141,298)	5,059,449
IT equipment	3,357,008	1,071,131	(2,014,594)	2,413,545
Kitchen equipment	3,645,927	352,969	(1,113,009)	2,885,887
Motor vehicles	2,693,661	618,317	(1,097,720)	2,214,258
Office equipment	232,595	-	(86,854)	145,741
Plant and machinery	3,727,138	1,144,865	(1,200,514)	3,671,489
Recreational equipment	4,172	-	(2,257)	1,915
Security equipment	897,658	116,756	(241,202)	773,212
Telephone equipment	294,728	-	(93,860)	200,868
	28,325,720	7,519,832	(10,966,151)	24,879,401

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	9,243,656	28,770,814
---------------	-----------	------------

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
10. Trade and other receivables		
Financial instruments:		
Trade receivables	54,744,074	48,367,693
Deposits	1,447,680	1,623,518
Doubtful debt provision	(42,329)	(42,329)
Other receivables	2,698,182	517,737
Non-financial instruments:		
Prepayments	836,839	1,507,562
Total trade and other receivables	59,684,446	51,974,181

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	58,847,607	50,466,619
Non-financial instruments	836,839	1,507,562
	59,684,446	51,974,181

11. Share capital

Authorised

4,000 Ordinary shares of no par value	4,000	4,000
---------------------------------------	-------	-------

Issued

496 Ordinary shares of no par value	496	496
Share premium	1,979,604	1,979,604
	1,980,100	1,980,100

12. Loans from related parties

Craighall Finance Incorporated

Craighall Finance Incorporated - 42199908286611	131,442,048	114,780,664
Craighall Finance Incorporated - 42199908286612	128,452,858	112,170,379
Craighall Finance Incorporated - 4220080019821	185,602,166	162,075,533
Craighall Finance Incorporated - 42201300139891	102,820,473	90,682,443
Craighall Finance Incorporated - 42201700053081	186,929,894	164,862,686
Craighall Finance Incorporated - 42201700151741	76,789,306	67,724,274
Craighall Finance Incorporated - 42201710000175	13,504,624	12,009,922
Craighall Finance Incorporated - 42202100256831	73,677,787	64,980,071
Craighall Finance Incorporated - 42202100256832	70,898,125	63,051,065
	970,117,281	852,337,037

The loans are unsecured, bear interest at rates linked to the prime interest rate and cannot be repaid without the approval of ABSA Bank Limited. The loans have been ceded to ABSA Bank.
Refer to note 13.

Other related parties

Premier Hotels and Resorts (Pty) Ltd	32,091,618	32,066,387
The above loan is unsecured, bears interest at a rate linked to the prime interest rate and is repayable on demand.		

Premier International Hotels and Resorts (Pty) Ltd	-	4,000,001
The above loan has been settled in the current year.		

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
12. Loans from related parties (continued)		
Sorpen Property Holdings (Pty) Ltd	54,010,752	46,998,640
The above loan is unsecured, interest free and is repayable on demand.		
	86,102,370	83,065,028
Split between non-current and current portions		
Non-current liabilities	1,056,219,651	935,402,065
13. Financial liabilities		
At amortised cost		
ABSA Bank Limited - 7010121168	-	48,639,826
ABSA Bank Limited - 7010121956	38,088,986	47,213,857
ABSA Bank Limited - 7010172559	163,072,100	164,340,844
ABSA Bank Limited - 7010200922	31,072,023	33,002,582
ABSA Bank Limited - 7010207364	49,779,465	-
ABSA Bank Limited - 7010159775	120,069,325	131,329,629
The loans are secured over investment property, bear interest at rates linked to the prime interest rate and are repayable in monthly instalments. Refer to note 6.		
Brookfield Investments 161 (Pty) Ltd	1,132,000	-
The loan is unsecured, interest free and is repayable in 40 monthly instalments of R28,300.		
First National Bank - 3000 014 274 684	9,068,163	11,744,846
First National Bank - 3000 015 202 407	27,929,507	32,672,566
The loans are secured over investment property, bear interest at rates linked to the prime interest rate and are repayable in monthly instalments. Refer to note 6.		
GBS Mutual Bank mortgage bond	1,796,589	2,791,212
The loan is secured over Erf 39719, bears interest at a rate linked to the prime interest rate and is repayable in monthly instalments. Refer to note 6.		
Industrial Development Corporation	-	57,939,555
This loan was settled in full during the 2024 financial year.		
Premier Hotel Umhlanga (Pty) Ltd	6,200,000	3,000,056
The loan is unsecured, bears no interest and is repayable on demand.		
Splendid Inn by Premier Umhlanga (Pty) Ltd	2,500,000	-
The loan is unsecured, bears no interest and is repayable on demand.		
Split between non-current and current portions		
Non-current liabilities	368,474,670	484,194,414
Current liabilities	77,310,020	48,480,560
	445,784,690	532,674,974

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand

2024

2023

13. Financial liabilities (continued)

Security

Security held in favour of ABSA Bank Limited

NV Properties (Pty) Ltd

Loans over properties:

- R51,000,000 over Erf 592, Sea Point West, Cape Town.
- R50,000,000 over Erf 1273, Arcadia, Pretoria.
- R80,000,000 over Stand 1413, Halfway Gardens Extension 20, Gauteng.
- R34,300,000 over Erf 901, Scottburgh, KwaZulu-Natal.
- R270,000,000 over Units 118 – 247, SS Regent Hotel No. 22/2013, Erf 39719, East London.
- R58,000,000 over the below listed units in SS Regent Hotel 3/1999, Erf 39719, East London
1,2,3,4,5,6,8,12,13,15,17,18,19,20,21,23,24,25,26,27,28,29,30,31,32,33,34,35,37,41,42,44,45,46,47,51,53,54,55,56,57,58,59,
61,62,69,73,74,75,77,78,79,80,81,84,85,90,94,95,96,97,99,100,101,102,103,104,105,106,107,108,109,110,111,112,113,114,
115,116 & 117.
- R91,000,000 over the below listed units in SS Regent 13/2011, Erf 39719 a Portion of Erf 16226, East London
248,249,250,251,252,253,254,257,263,264,270,273,276,278,279,283,284,285,286,290,291,294,295,297,299,300,301,302,304,
306,307,308,310,311,312,315,316,319,321,322,323,324,325,326,327,328,329,330,331,332,333,334,335,336,337,338,339,
340,341,342,343,344 & 345.

Cessions of rental agreements over bonded property:

- General Notarial Bonds totaling R10,000,000 over moveable assets situated at Erf 592, Sea Point West, Cape Town.
- General Notarial Bond totaling R5,000,000 over moveable assets situated at Erf 1273, Arcadia, Pretoria.

Limited sureties:

- R132,000,000 by V Nassimov (including cession of loan account).
- R128,000,000 by Premier Hotels and Resorts (Pty) Ltd (excluding cession of loan account).
- R90,000,000 by Splendid Inns (Pty) Ltd (excluding cession of loan account).
- R115,000,000 by Northern Lights Trading 77 (Pty) Ltd (excluding cession of loan account).
- R60,000,000 by Summer Season Trading 120 (Pty) Ltd (excluding cession of loan account).
- R90,000,000 dated by Premier International Hotels and Resorts (Pty) Ltd (excluding cession of loan account).

Guarantees limited to:

- R50,000,000 by Nungu Trading 195 (Pty) Ltd (excluding cession of loan account).
- R10,500,000 by Summer Season Trading 120 (Pty) Ltd (excluding cession of loan account).
- R11,500,000 by Zitorite (Pty) Ltd (excluding cession of loan account).
- R28,000,000 by Zitoscape (Pty) Ltd (excluding cession of loan account).
- R75,000,000 by Netcopath (Pty) Ltd (excluding cession of loan account).
- R34,300,000 by Cutty Sark Hotel (Pty) Ltd (excluding cession of loan account).

Unlimited subordination of shareholders loan account in N V Properties (Pty) Ltd by Craighall Finance Incorporated in favour of ABSA Bank Limited

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

13. Financial liabilities (continued)

Security held in favour of First National Bank

NV Properties (Pty) Ltd

Loan over properties:

- R23,700,000 over Erf 16668 & Erf 35 Portion 7, Richards Bay.

Cessions of rental agreements over bonded property:

- General Notarial Bond totaling R5,000,000 over moveable assets situated at Erf 16668 & Erf 35 Portion 7, Richards Bay.

- General Notarial Bond totaling R30,000,000 over Erf 16668 & Erf 35 Portion 7, Richards Bay.

Limited surety:

- R30,000,000 by Splendid Hotels and Lodges (Pty) Ltd.

ChamberLane Properties 11 (Pty) Ltd

- A first mortgage bond to the value of R45,000,000 over Erf 1389, Knysna (refer to note 3) as well as an additional continuing covering security value of R9,000,000.

- A cession of the common property for the scheme known as the Moorings.

- A cession and pledge in security of the shares if the company.

- A guarantee by Hotel Reservation Woldwide (Pty) Ltd and N V Properties (Pty) Ltd to the value of R20,000,000 each.

- A cession of the lease with Hotel Reservation Woldwide (Pty) Ltd, with step-in-rights.

- A cession of the property income.

- A cession in security of the insurance policy and proceeds.

14. Trade and other payables

Financial instruments:

Trade payables	29,213,014	11,184,756
Accrued employee costs	463,403	149,856
Other payables	168,139	3,555,621

Non-financial instruments:

VAT	3,999,461	6,159,686
	33,844,017	21,049,919

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	29,844,558	14,890,233
Non-financial instruments	3,999,461	6,159,686
	33,844,019	21,049,919

15. Fair value adjustments

Gains (losses) on disposals, scrappings or settlements

Biological assets	3	2,152,598	-
Investment property	6	384,151,052	-
		386,303,650	-

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

16. Investment income

Interest income

Bank	1,267,220	1,117,888
Related parties	842,418	2,607,888
Other interest received	61,218	-
Total interest income	2,170,856	3,725,776

Investment income on financial instruments which are available for sale or held to maturity are only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning current reporting period, which is the date of adoption of IFRS 9 Financial Instruments. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.

17. Finance costs

Bank	34,805,644	29,012,865
Craighall Finance Incorporated	74,075,804	68,811,296
Financial liabilities	39,487,838	37,576,962
Related parties	32,523,457	5,840,797
South African Revenue Service	1,619,298	1,101,256
Total finance costs	182,512,041	142,343,176

18. Taxation

Major components of the tax (income) expense

Current

South African income tax - current year	1,142,951	-
---	-----------	---

Deferred

South African deferred tax - current year	74,540,028	(12,694,207)
	75,682,979	(12,694,207)

19. Cash generated from operations

Profit before taxation	379,133,630	(15,808,347)
Adjustments for non-cash items:		
Depreciation	10,515,261	10,961,240
Fair value adjustments	(386,303,650)	-
Adjust for items which are presented separately:		
Interest income	(2,170,856)	(3,691,327)
Finance costs	182,512,041	142,343,176
Changes in working capital:		
Trade and other receivables	(25,331,633)	26,541,408
Trade and other payables	10,508,388	(9,641,105)
	168,863,181	150,705,045

20. Director's emoluments

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

N V Properties (Pty) Ltd and its subsidiaries

Consolidated Annual Financial Statements for the year ended 29 February 2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2024	2023
21. Employee costs		
Allowances	503,824	104,361
Basic	2,760,562	1,069,436
Casuals	24,000	20,000
Other company contributions	119,541	104,403
Overtime	153,758	5,525
SDL	6,410	-
Staff expenses	20,799	20,960
UIF	14,983	11,326
	3,603,877	1,336,011
22. Remuneration, other than to employees		
Consulting fees	3,769,137	1,532,595
Legal fees	1,037,109	2,117,167
Management fees	440,977	-
	5,247,223	3,649,762
23. Related parties		
Relationships		
Director	V Nassimov	
Shareholder	Craighall Finance Incorporated	
Fellow subsidiary	Premier Hotels and Resorts (Pty) Ltd	
Subsidiary	Regent Rental Pool Trust	
Related party balances and transactions with other related parties		
Related party balances		
Loan accounts - Owing (to) by related parties		
Craighall Finance Incorporated	(970,117,281)	(852,337,037)
Premier Hotels and Resorts (Pty) Ltd	(32,091,618)	(32,066,387)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Premier Hotels and Resorts (Pty) Ltd	7,350	21,244
Premier Hotels and Resorts (Pty) Ltd	(598,631)	(23,657)
Regent Rental Pool Trust	477,284	6,530,776
Regent Rental Pool Trust	(8,505,316)	4,043,497
Related party transactions		
Interest paid to (received from) related parties		
Craighall Finance Incorporated	74,075,804	68,811,296
Premier Hotels and Resorts (Pty) Ltd	6,432,434	1,681,373
Premier Hotels and Resorts (Pty) Ltd	-	(166,323)
Purchases from (sales to) related parties		
Premier Hotels and Resorts (Pty) Ltd	(683,831)	(74,460)
Premier Hotels and Resorts (Pty) Ltd	3,818,995	2,774,039
Regent Rental Pool Trust	(108,991,031)	(95,508,288)
Regent Rental Pool Trust	71,092,794	52,228,369