

Dullstroom Country Estate Nature Reserve (Associated under A21)
(Registration number 2003/015953/08)
Annual financial statements
for the year ended 28 February 2007

Vexillum Auditors Incorporated
Registered Auditors
Issued 27 August 2007

Dullstroom Country Estate Nature Reserve (Associated under A21)

Formerly Associated under Article 21

(Registration number 2003/015953/08)

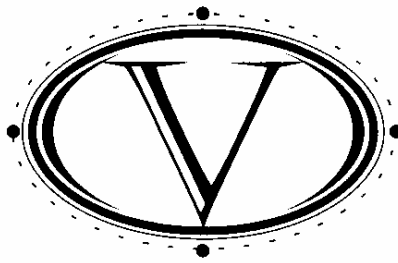
Trading as Dullstroom Country Estate Nature Reserve (Ass under A21)

Annual Financial Statements for the year ended 28 February 2007

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
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VEXILLUM AUDITORS INCORPORATED

Report of the Independent Auditors

To the shareholders of Dullstroom Country Estate Nature Reserve (Associated under A21)

We have audited the accompanying annual financial statements of Dullstroom Country Estate Nature Reserve (Associated under A21), which comprise the directors' report, the balance sheet as at 28 February 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 11.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the . This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 28 February 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act, 1973.

Vexillum Auditors Incorporated
Registered Auditors
Per: G. van N. Viljoen

27 August 2007

32 Patrys Avenue
Monument Park
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VEXILLUM AUDITORS INCORPORATED REG. NO. 200/06/111/21

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R. DE VILLIERS: B.COMM. B.ACC. C.ASAE M. STURCKIE: B.COMPT. (HONS) C.ASAE V. NARUNSKY: C.ASAE G. van N. VILJOEN: D.COMM. (ACCT) M.B.A. C.ASAE
ASSOCIATES: C. HERON: B.COMPT. (HONS) PROFESSIONAL ACCOUNTANT (SA) CERT. ADV. LABOUR LAW (JURICUM) AUDITEUR (G.B.) BRIDGE: F.C.C.A.
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Directors' Responsibilities and Approval

The directors are required by the , to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 directors are 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 directors have reviewed the company's cash flow forecast for the year to 29 February 2008 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors are primarily responsible for the financial affairs of the company, they are supported by the company's external auditors.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 3 to 11, which have been prepared on the going concern basis, were approved by the board of directors on 27 August 2007 and were signed on its behalf by:



Adv AB Booysse



Dr W Van Aardt

Pretoria

27 August 2007

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Directors' Report

The directors submit their report for the year ended 28 February 2007.

1. Review of activities

Main business and operations

The company is engaged in acting as the home owner's association responsible for collecting levies and general upkeep and maintaining of the communal area and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

We draw attention to the fact that at 28 February 2007, the company had accumulated losses of (89,402) and that the company's total liabilities exceed its assets by (89,402).

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 ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 3 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name
Adv AB Booysen
Dr W Van Aardt
Mr CR Snyman
Dr P Pretorius
Mr K Parker

5. Auditors

Vexillum Auditors Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

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Balance Sheet

Figures in Rand	2007	2006
Assets		
Non-Current Assets		
Property, plant and equipment	33,478	30,598
Current Assets		
Trade and other receivables	103,268	42,554
Cash and cash equivalents	16,238	21,191
Total Assets	152,984	94,343
Equity and Liabilities		
Equity		
Accumulated loss	(89,402)	(83,187)
Liabilities		
Non-Current Liabilities		
Loans from group companies	219,059	150,708
Current Liabilities		
Trade and other payables	23,327	26,822
Total Liabilities	242,386	177,530
Total Equity and Liabilities	152,984	94,343

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Income Statement

Figures in Rand	2007	2006
Other income		
Fees earned	582,892	352,440
Re-Imbursed Expenses	40,220	64,872
Membership Fees	315	308
Interest received	7	8
	624,390	417,628
Operating expenses		
Accounting fees	10,156	6,661
Auditors remuneration	6,840	-
Bank charges	5,179	4,869
Cleaning	1,128	469
Computer expenses	759	1,324
Consultin Fees	517	-
Consulting : Health & Safety	7,496	-
Delivery expenses	762	94
Depreciation	9,532	7,731
Employee costs	166,451	146,595
Entertainment	1,401	2,535
Assets less than R 2000	3,502	369
Clothing for staff	1,794	1,888
Game : Feed & Licks	20,210	37,058
Gardening Expenses	9,019	1,178
Farmhouse Expenses	6,278	5,869
Horse Feed	18,698	9,054
Workshop Consumaebles	5,183	6,821
Repairs to water connections	7,731	-
Repairs to fence and roads	11,890	-
Trout stock for dams	2,394	-
Insurance	12,932	5,365
Motor vehicle expenses	58,572	38,472
Petrol and oil	43,604	30,765
Printing and stationery	4,902	6,711
Repairs and maintenance	41,091	13,788
Security	64,248	41,310
Staff welfare	11,982	735
Subscriptions	500	-
Telephone and fax	25,341	21,250
Utilities	69,975	40,855
	630,067	431,766
Operating loss	(5,677)	(14,138)
Finance costs	8	-
	(538)	-
Loss for the period	(6,215)	(14,138)

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Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 March 2005	-	(69,049)	(69,049)
Changes in equity			
Loss for the year		(14,138)	(14,138)
Total changes	-	(14,138)	(14,138)
Balance at 01 March 2006	-	(83,187)	(83,187)
Changes in equity			
Loss for the year		(6,215)	(6,215)
Total changes	-	(6,215)	(6,215)
Balance at 28 February 2007	-	(89,402)	(89,402)

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Cash Flow Statement

Figures in Rand	2007	2006
Cash flows from operating activities		
Cash used in operations	(61,317)	(16,088)
Interest income	963	8
Finance costs	(538)	-
Net cash from operating activities	(60,892)	(16,080)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,411)	(16,399)
Proceeds from loans from group companies	68,351	49,274
Other non-cash item	2	-
Net cash from investing activities	55,942	32,875
Total cash movement for the period	(4,950)	16,795
Cash at the beginning of the period	21,191	4,396
Total cash at end of the period	16,241	21,191

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the . The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Furniture and fixtures	6 Years
Motor vehicles	5 Years
IT equipment	3 Years

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Notes to the Annual Financial Statements

Figures in Rand 2007 2006

2. Property, plant and equipment

	2007			2006		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	1	-	1	-	-	-
Furniture and fixtures	16,399	(3,666)	12,733	16,399	(933)	15,466
Motor vehicles	25,000	(16,667)	8,333	25,000	(11,667)	13,333
IT equipment	5,394	(5,393)	1	5,394	(3,595)	1,799
Other property, plant and equipment	12,410	-	12,410	-	-	-
Total	59,204	(25,726)	33,478	46,793	(16,195)	30,598

Reconciliation of property, plant and equipment - 2007

	Opening Balance	Additions	Depreciation	Total
Land	-	1	-	1
Furniture and fixtures	15,466	-	(2,733)	12,733
Motor vehicles	13,333	-	(5,000)	8,333
IT equipment	1,799	-	(1,798)	1
Other property, plant and equipment	-	12,410	-	12,410
	30,598	12,411	(9,531)	33,478

Reconciliation of property, plant and equipment - 2006

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	-	16,399	(933)	15,466
Motor vehicles	18,333	-	(5,000)	13,333
IT equipment	3,596	-	(1,797)	1,799
	21,929	16,399	(7,730)	30,598

Details of properties

During the development of the project, unit 75 of Karreekraal (farm no 135) was allocated to Dullstroom Country Estate Nature Reserve (A21) as part of the communal property of all the owner's. Thus the property is registered in the name of the home owners association. (Title deed: T123751/2005)

3. Loans to/from group companies

Fellow subsidiaries

Dullstroom Country Estate (Pty) Ltd	(219,059)	(130,208)
Terms and conditions: The loan is unsecured, interest free and has no fixed term or repayment. A sub-ordination agreement has been signed and will remain in force and effective as long as the liabilities of the association exceeds its assets.		
AB Booysen Developments (Pty) Ltd	-	(20,500)
Terms and conditions: The loan is unsecured, interest free and has no fixed term or repayment.		
	(219,059)	(150,708)

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Figures in Rand	2007	2006
4. Trade and other receivables		
Trade receivables	99,968	42,554
Deposit ESKOM Fase III	3,300	-
	103,268	42,554
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	2,000	2,000
Bank balances	14,238	19,191
	16,238	21,191
6. Trade and other payables		
Trade payables	16,487	10,501
Accrued expense - PAYE	-	1,321
Deposits received	-	15,000
Sundry Creditors	6,840	-
	23,327	26,822
7. Investment revenue		
Interest revenue		
Other interest	963	8
8. Finance costs		
Non-current borrowings	538	-
9. Taxation		
No provision has been made for 2007 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is (R 199, 316) (2006 - R 46, 474).		
10. Cash used in operations		
Loss before taxation	(6,215)	(14,138)
Adjustments for:		
Depreciation and amortisation	9,532	7,731
Interest received	(963)	(8)
Finance costs	538	-
Changes in working capital:		
Trade and other receivables	(60,714)	(5,494)
Trade and other payables	(3,495)	(4,179)
	(61,317)	(16,088)

11. Directors' emoluments

No emoluments were paid to the directors during the year.

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Tax Computation

Net loss per income statement	(6,215)
Tax loss for 2007	(6,215)
Assessed loss brought forward	(46,474)
Tax loss carried forward	(52,689)
Taxation thereon @ 29c in the Rand	NIL
Tax liability	
Amount owing/(prepaid) at the beginning of year	-
Tax owing/(prepaid) for the current year	-
Normal tax	-