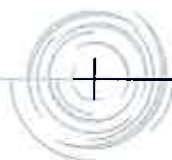


CROYDON WINE COMPANY (PTY) LTD
(REGISTRATION NUMBER 2003/014749/07)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015

These financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.



EXCEED[®]

CHARTERED ACCOUNTANTS (SA)

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

GENERAL INFORMATION

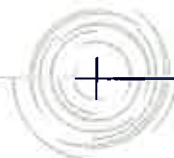
COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To harvest grapes and produce wines
DIRECTOR	LM Petra
REGISTERED OFFICE	Unit 1 Croydon Vineyard Estate Croydon SOMERSET WEST 7130
LOCATION OF COMPANY RECORDS	Ground Floor Acorn House Old Oak Office Park Cnr of Old Oak and Durban Road BELLVILLE 7530
POSTAL ADDRESS	Unit 1 Croydon Vineyard Estate Croydon SOMERSET WEST 7130
BANKERS	Nedbank
AUDITORS	Exceed (Cape Town) Inc. Chartered Accountants (S.A.) Registered Auditors
COMPANY REGISTRATION NUMBER	2003/014749/07
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.
PREPARER	The financial statements were independently compiled by: GA van Rhyn CA (S.A.)
PUBLISHED	<hr/>

CROYDON WINE COMPANY (PTY) LTD
(REGISTRATION NUMBER 2003/014749/07)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

INDEX

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

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Director'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
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Notes to the Financial Statements	16 - 22
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Statement of Financial Performance	23 - 24
Tax Computation	25



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CHARTERED ACCOUNTANTS (SA)

JOHANNESBURG • CAPE TOWN • LONDON

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF CROYDON WINE COMPANY (PTY) LTD

We have audited the financial statements of Croydon Wine Company (Pty) Ltd, as set out on pages 8 to 22, which comprise the statement of financial position as at 31 May 2015, and the 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 the notes, comprising a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Financial Statements

The company's director is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and requirements of the Companies Act, 71 of 2008, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements present fairly, in all material respects, the financial position of Croydon Wine Company (Pty) Ltd as at 31 May 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Companies Act, 71 of 2008.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to note 9 of the director's report and note 22 of the notes to the financial statements on going concern.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 23 to 25 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 May 2015, we have read the director's report for the purpose of identifying whether there are material inconsistencies between that report and the audited financial statements. The director's report is the responsibility of the director. Based on reading that report we have not identified material inconsistencies between it and the audited financial statements. However, we have not audited the director's report and accordingly do not express an opinion thereon.

Exceed Inc

EXCEED (CAPE TOWN) INC.
Chartered Accountants (S.A.)
Registered Auditors
Director: GA van Rhyn
TYGER VALLEY

28 | 01 | 2016
DATE

CROYDON WINE COMPANY (PTY) LTD
(REGISTRATION NUMBER 2003/014749/07)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The director is required by the Companies Act, 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is his responsibility to ensure that the 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 for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

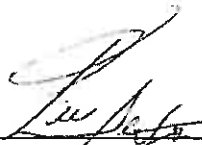
The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal 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 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 31 May 2016 and, in the light of this review and the current financial position, he is satisfied that the company has or has 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The financial statements set out on pages 6 to 22, which have been prepared on the going concern basis, were approved by the director on 28/01/2015 and were signed by him:



LM PETRA

CROYDON WINE COMPANY (PTY) LTD
(REGISTRATION NUMBER 2003/014749/07)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

DIRECTOR'S REPORT

The director has pleasure in submitting his report on the financial statements of Croydon Wine Company (Pty) Ltd and its associates for the year ended 31 May 2015.

1. NATURE OF BUSINESS

Croydon Wine Company (Pty) Ltd was incorporated in South Africa. The company's business is to harvest grapes and produce wine. The company operates in South Africa.

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 financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 company are set out in these financial statements.

3. SHARE CAPITAL

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

4. DIVIDENDS

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the director may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the director may pass on the payment of dividends.

Given the current state of the global economic environment, the director believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the director has resolved not to declare a dividend for the financial year ended 31 May 2015.

5. DIRECTORS

The directors in office during the year and up to the date of this report are as follows:

Names	Changes
D Ashworth	Resigned 01 June 2014
JG Bergman	Resigned 01 June 2014
JH Bos	Resigned 01 June 2014
JB Truter	Resigned 01 June 2014
EJ van der Horst	Resigned 01 June 2014
LM Petra	Appointed 01 June 2014

6. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

7. HOLDING ENTITY

The company's holding entity is Croydon Vineyard Estate Homeowners Association which holds 100% (2014-%) of the company's equity. Croydon Vineyard Estate Homeowners Association is incorporated in RSA.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

DIRECTOR'S REPORT

8. EVENTS AFTER THE REPORTING PERIOD

Refer to note 10 regarding the loan with Realty Dynamix 16 (Pty) Ltd.

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

9. GOING CONCERN

We draw attention to the fact that at 31 May 2015, the company had accumulated losses of R264 196 and that the company's total liabilities exceed its assets by R264 096. Refer to note 22 of these financial statements.

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The director has satisfied himself that the company 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 company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. Refer to note 22.

10. AUDITORS

Exceed (Cape Town) Inc. will continue in office.

11. SECRETARY

The company had no secretary during the year.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

STATEMENT OF FINANCIAL POSITION

	Notes	2015 R	2014 R
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	34 234	61 377
Deferred tax	3	147 756	18 110
		181 990	79 487
Current Assets			
Inventories	4	758 937	966 701
Trade and other receivables	5	221 901	45 981
Current tax receivable		58 005	32 771
Cash and cash equivalents	6	39 095	13 767
		1 077 938	1 059 220
Total Assets		1 259 928	1 138 707
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	100	100
Accumulated loss		(264 196)	131 792
		(264 096)	131 892
LIABILITIES			
Non-Current Liabilities			
Loan from group company	8	-	569 341
Loans from shareholders	9	421 448	-
Other financial liabilities	10	569 341	-
		990 789	569 341
Current Liabilities			
Trade and other payables	11	533 235	244 266
Other financial liabilities	10	-	193 208
		533 235	437 474
Total Liabilities		1 524 024	1 006 815
Total Equity and Liabilities		1 259 928	1 138 707

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2015 R	2014 R
Revenue	12	1 048 473	936 041
Cost of sales	13	(1 274 670)	(985 207)
Gross loss		(226 197)	(49 166)
Other income	14	732 727	1 054 427
Operating expenses		(991 350)	(1 069 941)
Operating loss	15	(484 820)	(64 680)
Investment revenue	16	63	-
Finance costs	17	(40 877)	(4 955)
Loss before taxation		(525 634)	(69 635)
Taxation	18	129 646	18 110
Loss for the year		(395 988)	(51 525)
Other comprehensive income		-	-
Total comprehensive loss for the year		(395 988)	(51 525)

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated loss	Total equity
	R	R	R
Balance at 01 June 2013	100	183 317	183 417
Loss for the year	-	(51 525)	(51 525)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(51 525)	(51 525)
Balance at 01 June 2014	100	131 792	131 892
Loss for the year	-	(395 988)	(395 988)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(395 988)	(395 988)
Balance at 31 May 2015	100	(264 196)	(264 096)

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

STATEMENT OF CASH FLOWS

	Notes	2015 R	2014 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1 605 282	2 065 495
Cash paid to suppliers and employees		(1 739 874)	(2 177 697)
Cash used in operations	19	(134 592)	(112 202)
Interest income		63	-
Finance costs		(40 877)	(4 955)
Tax paid		(25 234)	(30 386)
Net cash from operating activities		(200 640)	(147 543)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(2 272)	(9 218)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from other financial liabilities		-	190 928
Proceeds from shareholder's loan		228 240	(3 150)
Net cash from financing activities		228 240	187 778
Total cash movement for the year		25 328	31 017
Cash at the beginning of the year		13 767	(17 250)
Total cash at end of the year	6	39 095	13 767

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act, 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	5 years
Wine barrels and machinery	5 years
Refrigeration plant	6 years
Computer software	2 years
Computer hardware	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

ACCOUNTING POLICIES

1.2 FINANCIAL INSTRUMENTS

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

ACCOUNTING POLICIES

1.4 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 INVENTORIES

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis for bottled wine and weighted average cost basis for bulk wine and consumables.

1.6 IMPAIRMENT OF ASSETS

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 SHARE CAPITAL AND EQUITY

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

ACCOUNTING POLICIES

1.8 REVENUE

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

2015
R

2014
R

2. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	23 005	(23 004)	1	23 005	(23 004)	1
Computer hardware	9 219	(4 865)	4 354	9 219	(1 792)	7 427
Computer software	2 272	(1 136)	1 136	-	-	-
Refrigeration plant	75 214	(55 580)	19 634	75 214	(43 042)	32 172
Wine barrels and machinery	76 683	(67 574)	9 109	76 683	(54 906)	21 777
Total	186 393	(152 159)	34 234	184 121	(122 744)	61 377

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1	-	-	1
Computer hardware	7 427	-	(3 073)	4 354
Computer software	-	2 272	(1 136)	1 136
Refrigeration plant	32 172	-	(12 538)	19 634
Wine barrels and machinery	21 777	-	(12 668)	9 109
	61 377	2 272	(29 415)	34 234

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1	-	-	1
Computer hardware	1	9 218	(1 792)	7 427
Refrigeration plant	44 710	-	(12 538)	32 172
Wine barrels and machinery	37 112	-	(15 335)	21 777
	81 824	9 218	(29 665)	61 377

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

	2015 R	2014 R
3. DEFERRED TAX		
Deferred tax liability		
Deferred tax asset		
Tax losses available for set off against future taxable income	147 756	18 110
Reconciliation of deferred tax asset \ (liability)		
At beginning of year	18 110	-
Increase in tax losses available for set off against future taxable income	129 646	18 110
	147 756	18 110
4. INVENTORIES		
Packaging and consumables	-	23 314
Bulk wine	342 756	563 633
Bottled wine	416 181	379 754
	758 937	966 701
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	215 171	44 550
Employee costs in advance	6 730	-
Deposits	-	1 000
VAT	-	431
	221 901	45 981
6. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	4 386	2 232
Bank balances	34 709	11 535
	39 095	13 767
7. SHARE CAPITAL		
Authorised		
1,000 Ordinary shares of R1 each	1 000	1 000
Issued		
100 Ordinary shares of R1 each	100	100

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

	2015 R	2014 R
8. LOAN FROM GROUP COMPANY		
Holding company		
Realty Dynamix 16 (Pty) Ltd	-	(569 341)
The loan has been reclassified to other financial liabilities.		
9. LOANS FROM SHAREHOLDERS		
Croydon Vineyard Estate Homeowners Association		-
- Working Capital	350 000	-
- Other	71 448	-
	421 448	-
The loan is unsecured, bears interest as agreed upon from time to time and has no fixed terms of repayment. No material repayments are expected within the twelve months after year end.		
The loan is subordinated to other creditors of the company to the value of any negative equity until the company's assets, fairly valued, exceed its liabilities.		
10. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Croydon Vineyard Estate Home-owners Association		
- Working Capital	-	200 000
- Other	-	(6 792)
The loan has been reclassified to loans from shareholders.		
The loan bears interest at 9% and has no fixed terms of repayment.		
Realty Dynamix 16 (Pty) Ltd	569 341	-
The loan is unsecured, bears interest as agreed upon from time to time and has no fixed terms of repayment. No material repayments are expected in the twelve months after year end.		
There is a potential dispute regarding the repayment of the loan subsequent to the termination of the development period.		
	569 341	193 208
Non-current liabilities		
At amortised cost	569 341	-
Current liabilities		
At amortised cost	-	193 208
	569 341	193 208

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

	2015 R	2014 R
11. TRADE AND OTHER PAYABLES		
Trade payables	416 261	104 535
South African Revenue Services - VAT	45 365	-
South African Revenue Services - PAYE, UIF & SDL	7 117	18 585
Accrued expenses	-	76 596
Sundry suppliers	64 492	44 550
	533 235	244 266
12. REVENUE		
Storage	77 671	56 562
Wine sales	946 802	798 933
Winemaking services	24 000	80 546
	1 048 473	936 041
13. COST OF SALES		
Sale of goods		
Cost of goods sold	1 274 670	985 207
14. OTHER INCOME		
Computer licences	-	2 316
Functions	-	124 940
Levy contribution	708 561	857 297
Management fees	-	69 874
Staff overtime	24 166	-
	732 727	1 054 427
15. OPERATING LOSS		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	205 416	195 272
Impairments	42 142	-
Depreciation on property, plant and equipment	29 415	29 666
Employee costs	517 187	368 205
16. INVESTMENT REVENUE		
Interest revenue		
South African Revenue Service	63	-

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

	2015 R	2014 R
17. FINANCE COSTS		
Trade and other payables	9 672	4 955
Shareholder loan	30 896	-
South African Revenue Service	309	-
	40 877	4 955
18. TAXATION		
Major components of the tax income		
Deferred		
Increase in tax losses available for set off against future taxable income	(129 646)	(18 110)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(525 634)	(69 635)
Tax at the applicable tax rate of 28% (2014: 28%)	(147 178)	(19 498)
Tax effect of adjustments on taxable income		
Disallowable expenses	17 532	1 388
	(129 646)	(18 110)
19. CASH USED IN OPERATIONS		
Loss before taxation	(525 634)	(69 635)
Adjustments for:		
Depreciation and amortisation	29 415	29 666
Interest received	(63)	-
Finance costs	40 877	4 955
Devaluation	42 142	-
Changes in working capital:		
Inventories	165 622	(129 997)
Trade and other receivables	(175 919)	73 597
Trade and other payables	288 968	(20 788)
	(134 592)	(112 202)

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

2015
R

2014
R

20. RELATED PARTIES

Relationships

Holding company	Realty Dynamix 16 (Pty) Ltd (2014)
Shareholder	Croydon Vineyard Estate Homeowners Association (2015)
Entities under control of members of key management	Croydon Vineyard Estate Homeowners Association (2014)
Members of key management	JG Bergman (2014) LM Petra (2015)

Related party balances

Loan accounts - Owing to related parties

Holding company/entity	-	(569 341)
Entities under control of members of key management	-	(193 208)
Shareholder	(390 552)	-

Amounts included in Trade receivable (Trade Payable) regarding related parties

Entities under control of members of key management	-	(27 739)
Shareholder	118 603	-
Shareholder	(287 535)	-

Related party transactions

Interest paid to (received from) related parties

Shareholders	30 896	-
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Purchases from (sales to) related parties

Entities under control of members of key management	-	(14 740)
Shareholder	(9 043)	-
Shareholder	52 796	-

Management fees received from related parties

Entities under control of members of key management	-	(69 874)
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Rent paid to related parties

Entities under control of key management	-	195 272
Shareholder	205 416	-

Levy contribution received from related parties

Entities under control of key management	-	(857 297)
Shareholder	(708 561)	-

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

Profit or Loss

Cost of sales	-	514 269
Operating expenses	-	(514 269)

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

NOTES TO THE FINANCIAL STATEMENTS

2015	2014
R	R

22. GOING CONCERN

We draw attention to the fact that at 31 May 2015, the company had accumulated losses of R 264 196 and that the company's total liabilities exceed its assets by R 264 096.

The 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 director continues to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 9 of these financial statements will remain in force for as long as it takes to restore the solvency of the company.

CROYDON WINE COMPANY (PTY) LTD

(REGISTRATION NUMBER 2003/014749/07)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

DETAILED STATEMENT OF FINANCIAL PERFORMANCE

	2015 R	2014 R
REVENUE		
Storage	77 671	56 562
Wine sales	946 802	798 933
Winemaking services	24 000	80 546
	1 048 473	936 041
COST OF SALES	(1 274 670)	(985 207)
Gross loss	(226 197)	(49 166)
OTHER INCOME		
Computer licences	-	2 316
Functions	-	124 940
Interest received	63	-
Levy contribution	708 561	857 297
Management fees	-	69 874
Staff overtime	24 166	-
	732 790	1 054 427
Expenses (Refer to page 24)	(991 350)	(1 069 941)
Operating loss	(484 757)	(64 680)
Finance costs	(40 877)	(4 955)
Loss before taxation	(525 634)	(69 635)
Taxation	129 646	18 110
Loss for the year	(395 988)	(51 525)

CROYDON WINE COMPANY (PTY) LTD

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

DETAILED STATEMENT OF FINANCIAL PERFORMANCE

	2015 R	2014 R
OPERATING EXPENSES		
Administration fees	-	(900)
Advertising	(15 308)	(46 404)
Auditor's remuneration	(52 530)	(100 087)
Bad debts	(2 582)	(46 046)
Bank charges	(17 046)	(20 971)
Cleaning	(8 158)	-
Computer expenses	(8 809)	(11 265)
Consumables	-	(115)
Counter expenses	(11 470)	-
Courier and postage	(1 154)	(3 289)
Customs and excise	(25 759)	(86 708)
Depreciation, amortisation and impairments	(71 557)	(29 666)
Employee costs	(278 290)	(256 024)
Entertainment	-	(112 966)
Fines and penalties	(11)	-
Insurance	(29 712)	(27 637)
Lease rentals on operating lease	(205 416)	(195 272)
Legal fees	-	(4 957)
Licences	(13 076)	(18 888)
Motor vehicle expenses	(4 838)	(35 201)
Office expenses	(703)	-
Printing and stationery	(11 905)	(4 354)
Protective clothing	(3 891)	-
Repairs and maintenance	(111 726)	(29 371)
Royalties and licence fees	-	(2 491)
Staff welfare	(7 595)	(8 199)
Tasting glasses	(6 586)	(1 617)
Telephone and fax	(310)	(11 719)
Utilities	(71 522)	(15 794)
VAT adjustment	(31 396)	-
	(991 350)	(1 069 941)

CROYDON WINE COMPANY (PTY) LTD

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

TAX COMPUTATION

	2015 R
Net loss per income statement	(525 634)
Non-deductable and non-taxable items	
Interest, penalties paid in respect of taxes (s 23(d))	320
VAT adjustment	31 396
Accounting interest paid/payable	30 896
	<u>62 612</u>
Temporary differences	
Depreciation according to financial statements	29 415
Wear and tear allowance (s 11(e))	(29 415)
	-
Calculated tax loss for the year	<u>(463 022)</u>
Assessed loss brought forward	(64 677)
Assessed loss for 2015 - carried forward	<u>(527 699)</u>
Tax thereon @ 28% in the Rand	<u>Nil</u>
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(32 771)
Prior year adjustment	(63)
Amount refunded/(paid) in respect of prior year	2 448
Amount owing/(prepaid) in respect of prior year	<u>(30 386)</u>
Tax owing/(prepaid) for the current year:	
Normal tax	
1st provisional payment	(11 905)
2nd provisional payment	(15 714)
	<u>(27 619)</u>
Amount owing/(prepaid) at the end of year	<u>(58 005)</u>