

MJEJANE 23 & 24 (PROPRIETARY) LIMITED
(Registration number 1997/021557/07)
Annual financial statements
for the year ended 28 February 2009

Mjejane 23 & 24 (Proprietary) Limited

(Registration number 1997/021557/07)

Annual Financial Statements for the year ended 28 February 2009

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Property investment
Director	Klaus Herbert Borger
Registered office	1 Waterford Mews Century Boulevard Century City 7441
Postal address	Constantiavale Cellar 8 Augusta's Way Constantia 7806
Auditors	Cecil Kilpin & Co. Registered Auditors
Company registration number	1997/021557/07

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

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Cecil Kilpin & Co.

CHARTERED ACCOUNTANTS (SA)

Report of the Independent Auditors

To the shareholder of Mjejane 23 & 24 (Proprietary) Limited

We have audited the accompanying annual financial statements of Mjejane 23 & 24 (Proprietary) Limited, which comprise the director's report, the balance sheet as at 28 February 2009, 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

Director's Responsibility for the Financial Statements

The company's director is 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 Companies Act of South Africa. 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 director, 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 at 28 February 2009, 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 Companies Act of South Africa.

Accounting and Secretarial Duties

Without qualifying our opinion, we draw your attention to the fact that with the written consent of the shareholder, we have performed certain accounting and secretarial duties.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 17 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Cecil Kilpin & Co.
Registered Auditors
Per partner: Mr M Branders

Century City

Date: 17 / 11 / 2009

1 WATERFORD MEWS, CENTURY BOULEVARD, CENTURY CITY, 7441, PO BOX 74, CENTURY CITY, 7446
TEL: 021 527 4060 FAX: 021 551 0508 E-MAIL: info@cecilkilpin.co.za

A Minné (CA)SA RA, N Nyback B.Com CA(SA) RA, M Branders B.Acc (Hons) CA(SA) RA,
S Schonegevel B.Com (Hons) CA(SA) RA, M Spencer B.Com (Hons) CA(SA) RA

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Annual Financial Statements for the year ended 28 February 2009

Director's Responsibilities and Approval

The director is required by the South African Companies Act to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements 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.

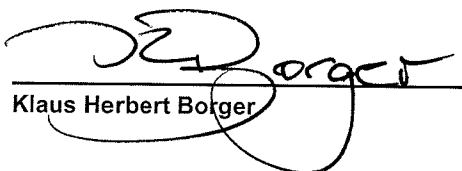
The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Although the director is primarily responsible for the financial affairs of the company, he is 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 3.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved and signed by:


Klaus Herbert Botger

Cape Town

Date: _____

17/11/2009

Mjejane 23 & 24 (Proprietary) Limited

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Annual Financial Statements for the year ended 28 February 2009

Director's Report

The director submits his report for the year ended 28 February 2009.

1. Review of activities

Main business and operations

The company is engaged in property investment 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.

Net loss of the company was R 73,421 (2008: profit R 1,593,069), after taxation of R - (2008: R 270,268).

2. Post balance sheet events

The director is not aware of any material matter or circumstance arising since the end of the financial year and the date of this report.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Director

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

Name

Klaus Herbert Borger

5. Secretary

The company had no secretary during the year.

6. Auditors

Cecil Kilpin & Co. will continue in office in accordance with section 270(2) of the Companies Act.

MjeJane 23 & 24 (Proprietary) Limited

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Annual Financial Statements for the year ended 28 February 2009

Balance Sheet

	Note(s)	2009 R	2008 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	3,719,483	-
Current Assets			
Trade and other receivables	3	519,966	-
Cash and cash equivalents	4	211	-
		520,177	-
Total Assets		4,239,660	-
Equity and Liabilities			
Equity			
Share capital	6	1,300	100
Retained income		1,519,648	1,593,069
		1,520,948	1,593,169
Liabilities			
Non-Current Liabilities			
Loans from group companies	7	86,328	-
Loans from shareholders	8	79,732	-
		166,060	-
Current Liabilities			
Other financial liabilities	9	2,524,333	(1,863,437)
Current tax payable		-	270,268
Trade and other payables	10	28,319	-
		2,552,652	(1,593,169)
Total Liabilities		2,718,712	(1,593,169)
Total Equity and Liabilities		4,239,660	-

Mjejane 23 & 24 (Proprietary) Limited

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Annual Financial Statements for the year ended 28 February 2009

Income Statement

	Note(s)	2009 R	2008 R
Other income		-	2,120,497
Operating expenses		(54,511)	(257,160)
Operating (loss) profit		(54,511)	1,863,337
Investment revenue	11	1	-
Finance costs	12	(18,911)	-
(Loss) profit before taxation		(73,421)	1,863,337
Taxation	13	-	(270,268)
(Loss) profit for the year		(73,421)	1,593,069

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Annual Financial Statements for the year ended 28 February 2009

Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
Balance at 01 March 2007	100	-	100
Changes in equity			
Profit for the year		1,593,069	1,593,069
Total changes	-	1,593,069	1,593,069
Balance at 01 March 2008	100	1,593,069	1,593,169
Changes in equity			
Loss for the year		(73,421)	(73,421)
Issue of shares	1,200		1,200
Total changes	1,200	(73,421)	(72,221)
Balance at 28 February 2009	1,300	1,519,648	1,520,948
Note(s)	6		

Mjejane 23 & 24 (Proprietary) Limited

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Annual Financial Statements for the year ended 28 February 2009

Cash Flow Statement

	Note(s)	2009 R	2008 R
Cash flows from operating activities			
Cash used in operations	15	(546,158)	(257,160)
Interest income		1	-
Finance costs		(18,911)	-
Tax paid	16	(270,268)	-
Net cash from operating activities		(835,336)	(257,160)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(3,719,483)	-
Net proceeds from sale of property, plant and equipment	2	-	4,400,000
Proceeds from loans from group companies		86,328	-
Net cash from investing activities		(3,633,155)	4,400,000
Cash flows from financing activities			
Proceeds on share issue	6	1,200	-
Repayment of other financial liabilities		4,387,770	(4,142,840)
Repayment of shareholders loan		79,732	-
Net cash from financing activities		4,468,702	(4,142,840)
Total cash movement for the year		211	-
Cash at the beginning of the year		-	-
Total cash at end of the year	4	211	-

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Annual Financial Statements for the year ended 28 February 2009

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 ("SA GAAP"), and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The preparation of the financial statements in conformity with SA GAAP requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the company's accounting policies.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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.

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Loans to shareholders, directors, managers and employees

These financial assets are initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

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Annual Financial Statements for the year ended 28 February 2009

Accounting Policies

1.2 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value. Trade receivables exceeding normal credit terms are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value. Trade payables exceeding normal credit terms are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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.

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 balance sheet date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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 balance sheet date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

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Accounting Policies

1.4 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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.

1.6 Provisions and contingencies

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

1.7 Borrowing costs

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

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Annual Financial Statements for the year ended 28 February 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
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2. Property, plant and equipment

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	3,719,483	-	3,719,483	-	-	-

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Total
Buildings	-	3,719,483	3,719,483

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Disposals	Total
Buildings	2,279,503	(2,279,503)	-

Details of properties

PTN 8 of Erf 5087, Bryanston Ext. 58, Sandton

- Purchase price: 29 May 1998	-	2,279,503
- Date of sale: 20 January 2007	-	(2,279,503)
	-	-

Portion 23 and 24 of Erf 1 Luggedlane Tourism Estate

- Capitalised expenditure	3,719,483	-
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A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

3. Trade and other receivables

VAT	519,966	-
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	211	-
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5. Other financial assets

Fair values are determined annually at balance sheet date.

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Notes to the Annual Financial Statements

	2009 R	2008 R
6. Share capital		
Authorised 4,000 Ordinary shares of R1 each	4,000	4,000
Issued 1,300 Ordinary shares of R1 each	1,300	100
7. Loans to/(from) group companies		
Associates		
Fantastic Investments 363 CC	(86,328)	-
8. Loans to/(from) shareholders		
The Burgherr Trust	(79,732)	-
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
9. Other financial liabilities		
At fair value through profit or loss		
KH Borger	2,524,333	(1,863,437)
The loan is unsecured, carries interest at 10% per annum and is repayable within the next 12 months.		
Current liabilities At fair value	2,524,333	(1,863,437)
10. Trade and other payables		
Trade payables	28,319	-
11. Operating (loss) profit		
Operating profit for the year is stated after accounting for the following:		
Profit on sale of property, plant and equipment	-	2,120,497
12. Finance costs		
Non current borrowings	18,911	-

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Annual Financial Statements for the year ended 28 February 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
13. Taxation		
Major components of the tax expense		
Current		
CGT	-	270,268
<p>No provision has been made for 2009 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 73,421 (2008: R -).</p>		
14. Auditors' remuneration		
Tax and secretarial services	4,746	-
15. Cash used in operations		
(Loss) profit before taxation	(73,421)	1,863,337
Adjustments for:		
Profit on sale of assets	-	(2,120,497)
Interest received	(1)	-
Finance costs	18,911	-
Changes in working capital:		
Trade and other receivables	(519,966)	-
Trade and other payables	28,319	-
	(546,158)	(257,160)
16. Tax paid		
Balance at beginning of the year	(270,268)	-
Current tax for the year recognised in income statement	-	(270,268)
Balance at end of the year	-	270,268
	(270,268)	-
17. Contingencies		
Tax consequences of undistributed reserves		
STC on remaining reserves	138,150	144,832
18. Related parties		
Relationships		
Associates		Fantastic Investments 363 CC
Shareholders		The Burgherr Trust Paula Marsh Investments (Proprietary) Limited
Director		K Borger
Related party balances		
Loan accounts - Owing (to) by shareholder/director		
The Burgherr Trust	(79,732)	-
Fantastic Investments 363 CC	(86,238)	-
K Borger	(2,524,333)	(1,863,437)

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Notes to the Annual Financial Statements

	2009	2008
	R	R

19. Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

Deposits all attract interest at rate that vary with prime. The company policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit (loss).

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Credit guarantee insurance is purchased when deemed appropriate.

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Annual Financial Statements for the year ended 28 February 2009

Detailed Income statement

	Note(s)	2009 R	2008 R
Other income			
Interest received		1	-
Gains on disposal of assets		-	2,120,497
		1	2,120,497
Operating expenses			
Accounting fees		6,250	-
Advertising		12,540	-
Auditors remuneration	14	4,746	-
Bank charges		1,394	-
Commission paid		-	250,800
Architects fees		-	1,841
Other expenses		15,000	-
Legal expenses		11,967	4,519
Travel - local		2,614	-
		54,511	257,160
Operating (loss) profit	11	(54,510)	1,863,337
Finance costs	12	(18,911)	-
(Loss) profit before taxation		(73,421)	1,863,337
Taxation	13	-	270,268
(Loss) profit for the year		(73,421)	1,593,069