

Oceans Hotel Limited
(Registration number 2016/210810/06)
Annual financial statements
for the year ended 30 June 2021

Arvind Magan and Associates Inc.
Chartered Accountants (SA)
Registered Auditor

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

General Information

Country of incorporation and domicile	South Africa
Directors	Vathasallum Reddy Robert Edward Alexander Ahmed Vally Mahomed Theresa Mokgokong Dulipkumar Itcharam Garach Michael Ian Gardner
Registered office	1 Sinembe Park Douglas Saunders Drive La Lucia Ridge Kwa-Zulu Natal 4320
Postal address	P O Box 4115 The Square Umhlanga Rocks 4320
Bankers	Standard Bank Limited
Auditors	Arvind Magan and Associates Inc. Chartered Accountants (SA) Registered Auditor
Company registration number	2016/210810/06
Tax reference number	9037607265
Preparer	The annual financial statements were internally compiled by: AN Yusuf Online Management and Financial Services CC t/a Online Accounting

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Index

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

	Page
Audit Committee Report	3
Directors' Responsibilities and Approval	4
Directors' Report	5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Audit Committee Report

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of company and include:

Name

Professor D.I Garach

Dr A.T Mokgokong

Dr A.V Mahomed

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

3. External auditor

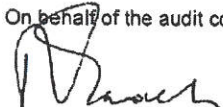
The committee satisfied itself through enquiry that the external auditors is independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditors that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Annual financial statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

On behalf of the audit committee



Professor D.I Garach
Chairman Audit Committee

Umhlanga

Friday, 21 January 2022

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

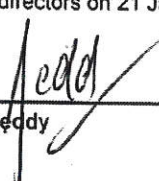
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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 30 June 2022 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.

The external auditors are responsible for independently auditing 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 6.

The annual financial statements set out on page 9 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 21 January 2022 and were signed on its behalf by:


Vathasallum Reddy


Robert Edward Alexander

Durban

Friday, 21 January 2022

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Oceans Hotel Limited for the year ended 30 June 2021.

1. Nature of business

Oceans Hotel Limited was incorporated in South Africa with interests in the Hotel industry. The company operates in South Africa. The business of the company will be to own and operate a hotel in the leisure and business conferencing industry which is yet to be constructed. 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 annual 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 annual 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 board of directors do not recommend the declaration of a dividend for the year. The construction of the hotel is still in the developmental stage. Once the hotel is operational, the directors will take a decision on the declaration of a dividend.

5. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
Vathasallum Reddy	
Robert Edward Alexander	
Ahmed Vally Mahomed	
Theresa Mokgokong	
Dulipkumar Itcharam Garach	
Michael Ian Gardner	Appointed, 25 January 2021

6. Events after the reporting period

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

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves 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 directors have given due consideration to the impact of COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short term challenges the directors are of the view that the company has sufficient resources to continue as a going concern. The directors are 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.

8. Auditors

Arvind Magan and Associates Inc. were appointed as the Auditors for the company for the 2021 financial year.

9. Secretary

The company secretary is Ramathe, Desai, Bhagat and Jeena.

Independent Auditor's Report

To the shareholders of Oceans Hotel Limited.

Opinion

We have audited the annual financial statements of Oceans Hotel Limited set out on pages 8 to 18, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Oceans Hotel Limited as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 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 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 International Ethics Standards Board for Accountants 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.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and Audit Committee Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

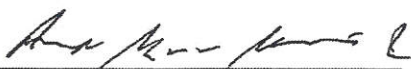
Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Arvind Magan and Associates Inc.
Director : Arvind V. Magan
Chartered Accountants (SA)
Registered Auditor

21 January 2022
Durban

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	361,782,001	330,992,223
Goodwill	3	28,800,042	28,800,042
Deferred tax	5	631,612	9,739
		<u>391,213,655</u>	<u>359,802,004</u>
Current Assets			
Loans to shareholders	4	4,000	4,000
Trade and other receivables	6	15,966,099	3,898,971
Cash and cash equivalents	7	3,852,801	49,628,669
		<u>19,822,900</u>	<u>53,531,640</u>
Total Assets		<u>411,036,555</u>	<u>413,333,644</u>
Equity and Liabilities			
Equity			
Share capital	8	413,096,944	413,096,944
Accumulated loss		(3,507,556)	(1,394,139)
		<u>409,589,388</u>	<u>411,702,805</u>
Liabilities			
Current Liabilities			
Trade and other payables	9	1,447,167	1,630,839
Total Equity and Liabilities		<u>411,036,555</u>	<u>413,333,644</u>

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Statement of Comprehensive Income

Figures in Rand	Notes	2021	2020
Other income			
Proceeds on disposal of asset		-	3,174,834
Interest received	11	187,691	1,511,714
		<u>187,691</u>	<u>4,686,548</u>
Operating expenses			
Accounting fees		29,750	54,400
Administration and management fees		41,429	-
Administration fee - IPO		514,315	555,260
Advertising		-	22,623
Annual general meeting costs		117,110	134,773
Assessment rates & municipal charges		1,069,987	928,248
Auditors remuneration		60,000	40,000
Bank charges		14,053	11,851
Consulting fees		380,000	310,000
Directors fees		10,000	10,000
Disposal of asset		-	3,174,834
Employee costs		383,483	-
Entertainment		50,004	-
Legal expenses		-	214,633
Secretarial fees		2,850	33,350
Technical fee		250,000	250,000
Travel - local		-	1,250
		<u>2,922,981</u>	<u>5,741,222</u>
Loss before taxation		(2,735,290)	(1,054,674)
Taxation	12	621,873	9,482
Total comprehensive loss for the year		<u>(2,113,417)</u>	<u>(1,045,192)</u>

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 July 2019	226,632,303	(348,947)	226,283,356
Total comprehensive loss for the year		(1,045,192)	(1,045,192)
Issue of 9 328 366 ordinary no par value shares	186,567,326		186,567,326
Repayment of F Class shares	(102,685)		(102,685)
Balance at 01 July 2020	413,096,944	(1,394,139)	411,702,805
Total comprehensive loss for the year		(2,113,417)	(2,113,417)
Balance at 30 June 2021	(413,096,944)	3,507,556	(409,589,388)

Note

8

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

Figures in Rand	Notes	2021	2020
Cash flows from operating activities			
Cash used in operations	13	(15,173,781)	(7,244,394)
Interest income		187,691	1,511,714
Tax received	14	-	40,122
Net cash from operating activities		(14,986,090)	(5,692,558)
Cash flows from investing activities			
Property, plant and equipment	2	(30,789,778)	(131,763,047)
Cash flows from financing activities			
Proceeds on share issue	8	-	186,464,641
Net movement on shareholders loan		-	(4,000)
Net cash from financing activities		-	186,460,641
Total cash movement for the year		(45,775,868)	49,005,036
Cash at the beginning of the year		49,628,669	623,633
Total cash at end of the year	7	3,852,801	49,628,669

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual 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 initially measured at cost.

Cost includes 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.

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 company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Land	Straight line	Useful life Indefinite

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Goodwill

Goodwill is measured at cost.

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 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.

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Tax (continued)

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.

1.5 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.

1.6 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.

Ordinary shares are recognised at 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 year in which they are declared.

1.7 Revenue

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

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

2. Property, plant and equipment

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Closing balance
Land	330,992,223	30,789,778	361,782,001

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Closing balance
Land	199,229,176	131,763,047	330,992,223

Details of properties

Oceans Hotel

Portion 15 Erf 379 Umhlanga Rocks, Registration Division FU, Province of Kwa-Zulu Natal, in extent approximately 5,1356 hectares.

- Real right	56,044,000	56,044,000
- Bulk infrastructure	13,764,806	13,764,806
- Additions since purchase or valuation	291,973,195	261,183,417
	<u>361,782,001</u>	<u>330,992,223</u>

The total estimated cost to complete the construction of the hotel is R304,578,821.

3. Goodwill

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Goodwill	28,800,042	-	28,800,042	28,800,042	-	28,800,042

Reconciliation of goodwill - 2021

	Opening balance	Total
Goodwill	28,800,042	28,800,042

4. Loans to (from) shareholders

Tour The World (Pty) Ltd	4,000	4,000
--------------------------	-------	-------

The above loan is unsecured, interest free and has no fixed repayment date.

5. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset

Arising as a result of temporary differences on:

Tax losses available for set off against future taxable income	631,612	9,739
----------------------------------------------------------------	---------	-------

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
6. Trade and other receivables		
Trade receivables	-	3,898,971
Prepayments	13,808,058	-
Value added taxation	2,158,041	-
	<u>15,966,099</u>	<u>3,898,971</u>
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>3,852,801</u>	<u>49,628,669</u>
8. Share capital		
Authorised		
100 000 000 Ordinary shares of no par value		
50 000 000 "F Class" shares of no par value		
Issued		
100 Ordinary no par value shares at R1 per share	100	100
20 591 187 Ordinary no par value shares at R20 per share	411,823,740	411,818,740
Ordinary no par value shares (unallocated)	1,273,104	1,278,104
	<u>413,096,944</u>	<u>413,096,944</u>
The company has been in receipt of funds in the amount of R1,273,104 from potential shareholders who have not submitted their FICA requirements to enable their respected shares to be issued. The said amount has been kept in a separate call account held by the company and is included in note 7 of the Annual Financial Statements.		
9. Trade and other payables		
Trade payables	262,979	229,264
Value added taxation	-	217,387
Oceans Umhlanga (Pty) Ltd	1,184,188	1,184,188
	<u>1,447,167</u>	<u>1,630,839</u>
The Oceans Umhlanga (Pty) Ltd loan is unsecured, Interest free and has no fixed repayment date.		
10. Construction loan agreement		
On 31 March 2017, a construction loan agreement was entered into between the Industrial Development Corporation of South Africa Limited ("the lender"), Oceans Hotel Limited ("the borrower") for R243 000 000. The facility has not yet been utilised.		
Securities :		
10.1 A first covering mortgage bond over the Borrower's Real Right, to be registered by the Borrower in favour of the Lender and for the Borrower's account, to the value of not less than R243 000 000 plus an additional amount.		
10.2 A general notarial bond over all the moveable assets owned by the Borrower, to be registered by the borrower in favour of the Lender and for the Borrower's account, to the value of not less than R10 000 000 plus.		
11. Investment revenue		
Interest revenue		
Bank	435,603	1,263,802
Other interest	(247,912)	247,912
	<u>187,691</u>	<u>1,511,714</u>

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
12. Taxation		
Major components of the tax income		
Current taxation		
Securities tax	-	257
Deferred taxation		
South African deferred tax - current year	(621,873)	(9,739)
	<u>(621,873)</u>	<u>(9,482)</u>
13. Cash used in operations		
Loss before taxation	(2,735,290)	(1,054,673)
Adjustments for:		
Interest received	(187,691)	(1,511,714)
Changes in working capital:		
Trade and other receivables	(12,067,128)	11,666,934
Trade and other payables	(183,672)	(16,344,941)
	<u>(15,173,781)</u>	<u>(7,244,394)</u>
14. Tax refunded		
Balance at beginning of the year	-	40,379
Current tax for the year recognised in profit (loss) or loss	-	(257)
Balance at end of the year	-	-
	<u>-</u>	<u>40,122</u>
15. Related parties		
Relationships		
Shareholder	Tour The World (Pty) Ltd	
Director of the company is a shareholder of a related party	Plazatique Corp 8 (Pty) Ltd	
Common director	Oceans Umhlanga (Pty) Ltd	
Common director	Tour The World (Pty) Ltd	
Common director	Plazatique Corp 8 (Pty) Ltd	
Related party balances and transactions with entities with control, joint control or significant influence over the company		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Oceans Umhlanga (Proprietary) Limited	(1,184,188)	(1,184,188)
Plazatique Corp 8 (Pty) Ltd	-	3,898,971
Related party balances		
Loan accounts - Owing (to) by related parties		
Tour The World (Pty) Ltd	4,000	4,000

Oceans Hotel Limited

(Registration number: 2016/210810/06)

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

16. Directors' remuneration

Non-executive

2021

	Directors' fees	Total
Ahmed Vally Mahomed	10,000	10,000

2020

	Directors' fees	Total
Ahmed Vally Mahomed	5,000	5,000
Dulipkumar Itcharam Garach	5,000	5,000
	10,000	10,000

17. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors are however aware of a material change due to the Covid-19 pandemic that has adversely impacted the global economy and the company. The directors are 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.

18. Events after the reporting period

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