



Annual Financial Statements

for the year ended
31 December 2024



Oceans Hotel Limited
(Registration number 2016/210810/06)

Annual Financial Statements
for the year ended 31 December 2024

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Hotel and Conferencing industry
Directors	Vathasallum Reddy Theresa Mokgokong Robert Edward Alexander Ahmed Vally Mahomed Dulipkumar Itcharam Garach Kelebogile Ruth Shoko
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 ABSA Bank Limited
Auditors	Arvind Magan and Associates Inc. Chartered Accountants (SA) Registered Auditor
Company registration number	2016/210810/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.
Preparer	The annual financial statements were independently compiled by: AN Yusuf Online Management and Financial Services CC t/a Online Accounting

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

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AUDIT COMMITTEE REPORT

1. Members of the Audit Committee

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

Name

Professor D.I Garach
Dr A.T Mokgokong
Dr A.V Mahomed
Ms K.R Shoko

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 of South Africa 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 of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee held three scheduled meetings during 2024 and all the members of the committee attended all the meetings.

3. External auditor

The audit committee has nominated Arvind Magan and Associates Inc as the independent auditor and Arvind V. Magan as the designated partner, who is a registered independent auditor, for appointment of the 2024 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 of South Africa 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

Thursday, 10 April 2025

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 of South Africa 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 Standards. 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 Standards 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 directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These 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 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 9.

The annual financial statements set out on pages 10 to 34, which have been prepared on the going concern basis, were approved by the directors on 10 April 2025 and were signed on their behalf by:

Vathasallum Reddy

Robert Edward Alexander

Thursday, 10 April 2025

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Oceans Hotel Limited for the year ended 31 December 2024.

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 is to own and operate a hotel in the leisure and business conferencing industry.

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 Standards and the requirements of the Companies Act 71 of 2008 of South Africa. 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

Given the current state of the global economic environment, the directors 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 directors has resolved not to declare a dividend for the financial year ended 31 December 2024.

The directors do not recommend the declaration of a dividend for the year.

5. Directors

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

Directors	Office	Designation	Nationality	Changes
Vathasallum Reddy	Chairperson	Non-executive	South African	
Theresa Mokgokong	Deputy Chairperson	Non-executive	South African	
Robert Edward Alexander		Non-executive	South African	
Ahmed Vally Mahomed		Non-executive	South African	
Dulipkumar Itcharam Garach		Non-executive	South African	
Richard Makhahlele Manzini	pic	Non-executive	South African	Resigned Monday, 01 January 2024
Kelebogile Ruth Shoko	pic	Non-executive	South African	Appointed Thursday, 20 June 2024
Yvonne Matsoarelo Maitin	pic	Non-executive	South African	Appointed Thursday, 20 June 2024 resigned Wednesday, 25 September 2024

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. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to board approval as required by the board delegation of authority.

8. Going concern

The directors believe 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 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 are not aware of any new material changes that may adversely impact 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 affect the company.

DIRECTORS' REPORT

9. Unallocated share capital

Unallocated share capital to the total value of R 1 273 104 is held in a separate bank account and generates interest.

10. Litigation statement

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Auditors

Arvind Magan and Associates Inc. continued in office as auditors for the company for 2024 financial year end.

12. Secretary

The company secretary is Motif Capital Partners.

13. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

14. Social and ethics committee

It is important for the members of the Social and Ethics Committee to understand the role and the function of the Committee. The key function of this committee is to act as the social conscience of the business and to ensure that the company performs like a responsible corporate citizen. This function should cover all aspects of the business, including its sustainability, impact on the environment, association with its stakeholders, interactions with and impact on the community within which it operates, the treatment of an investment in its shareholders, its health and safety practices, black economic empowerments, the ethical corporate culture, and so on.

It is important that this committee assumes the responsibility to ensure that the Board sets the appropriate attitude, and that the performance and messages of the Board and the Directors support and contribute to the Shareholders ethical corporate culture. As such, the Social and Ethics Committee will inevitably have to ensure open communication channels with Audit, Risk, Nomination and Remuneration committees. It will have to involve itself in the approach of the other Board Committees to operational and business decisions to ensure consistent behaviour from a Social and Ethics point of view.

15. Remuneration and nomination committee

The remuneration and nomination Committee (the "Committee") is constituted as a committee of the board of directors of Oceans Hotel Ltd (the "Company"). The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

The deliberations of the Committee do not reduce the individual and collective responsibilities of board members regarding their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act 71 of 2008 of South Africa, the Company's Memorandum of Incorporation ("MOI") and any other applicable law or regulatory provision.

The scope of the Committee extends to the operations and activities of all the Company's legal entities..

16. Compilers

Online Management and Financial Services CC t/a Online Accounting have continued in office as the compilers for the year.

17. 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Oceans Hotel Limited

Opinion

We have audited the annual financial statements of Oceans Hotel Limited (the company) set out on pages 10 to 34, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Oceans Hotel Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa.

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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Oceans Hotel Limited annual financial statements for the year ended 31 December 2024", which includes the Directors' Report and the Audit Committee's Report as required by the Companies Act 71 of 2008 of South Africa and the supplementary information as set out on pages 35 to 36. The 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 supplementary 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 supplementary 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 the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa, 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.

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

10 April 2025
Durban

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

Figures in Rand	Note(s)	2024 12 months ended December 2024	2023 6 months ended 31 December
Assets			
Non-Current Assets			
Property, plant and equipment	2	26 559 155	36 066 059
Investment property	3	779 640 000	764 600 000
Goodwill	4	18 720 028	21 600 032
Loan to shareholder	5	4 000	4 000
Deferred tax	6	57 704 224	12 962 030
		882 627 407	835 232 121
Current Assets			
Inventories	7	1 908 879	1 539 601
Trade and other receivables	8	6 725 166	10 003 136
Cash and cash equivalents	9	33 453 638	26 553 982
		42 087 683	38 096 719
Total Assets		924 715 090	873 328 840
Equity and Liabilities			
Equity			
Share capital	10	411 823 840	411 823 840
Reserves	3	188 830 375	173 790 375
Accumulated loss		(5 307 938)	(46 208 566)
		595 346 277	539 405 649
Liabilities			
Non-Current Liabilities			
Loan from group company	11	22 970 154	11 591 603
Other financial liabilities	12	251 430 826	268 112 276
		274 400 980	279 703 879
Current Liabilities			
Trade and other payables	13	54 967 833	54 219 312
Total Liabilities		329 368 813	333 923 191
Total Equity and Liabilities		924 715 090	873 328 840

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

Figures in Rand	Note(s)	2024 12 months ended December 2024	2023 6 months ended 31 December
Revenue	14	179 513 794	88 874 157
Cost of sales	15	(37 632 513)	(17 705 045)
Gross profit		141 881 281	71 169 112
Other operating income		30 401	47 622
Other operating gains (losses)	16	15 025 354	173 724 862
Other operating expenses		(109 280 020)	(74 562 094)
Operating profit		47 657 016	170 379 502
Investment income	17	2 048 236	758 220
Finance costs	18	(38 506 818)	(18 463 882)
Profit (loss) before taxation		11 198 434	152 673 840
Taxation	19	44 742 194	19 128 245
Profit (loss) for the year		55 940 628	171 802 085
Total comprehensive income (loss) for the year		55 940 628	171 802 085

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Figures in Rand	Share capital	Revaluation reserve	Accumulated loss	Total equity
6 months ended 31 December 2023	411 823 840	173 790 375	(46 208 566)	539 405 649
Balance as at 1 January 2024	411 823 840	173 790 375	(46 208 566)	539 405 649
Profit for the year	-	-	55 940 628	55 940 628
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	55 940 628	55 940 628
Transfer between reserves	-	15 040 000	(15 040 000)	-
Balance as at 31 December 2024	411 823 840	188 830 375	(5 307 938)	595 346 277
Note(s)	10	3		

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Figures in Rand	Note(s)	2024 12 months ended December 2024	2023 6 months ended 31 December
Cash flows from operating activities			
Cash receipts from customers		182 822 164	87 139 543
Cash paid to suppliers and employees		(135 479 574)	(64 387 111)
Cash generated from operations	22	47 342 590	22 752 432
Interest income	17	2 048 236	758 220
Finance costs	18	(38 506 818)	(18 463 882)
Net cash from operating activities		10 884 008	5 046 770
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(4 580 080)
Proceeds from sale of property, plant and equipment	2	1 333 192	-
Cash flows from financing activities			
Advance of loan from group company	11	11 378 552	11 094 020
Repayments of financial liabilities at fair value	12	(16 681 450)	(5 618 514)
Net cash from financing activities		(5 302 898)	5 475 506
Total cash movement for the year		6 914 302	5 942 196
Cash and cash equivalents at the beginning of the year		26 553 982	20 677 299
Profit on foreign exchange on cash and cash equivalents		(14 646)	(65 513)
Cash and cash equivalents at the end of the year	9	33 453 638	26 553 982

ACCOUNTING POLICIES

Corporate information

Oceans Hotel Limited is a public company incorporated and domiciled in South Africa.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Expected manner of realisation for deferred tax

The general principle in IAS 12 is that a deferred tax asset is recognised for unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised.

The criteria for the recognition of deferred tax assets for unused tax losses and unused tax credits are the same as those arising from deductible temporary differences. However, the standard also notes that the existence of unused tax losses is strong evidence that future taxable profit may not be available. As a result, the standard requires that where an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or unused tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. This assumes that local tax legislation allows companies to apply unused tax losses and unused tax credits to future taxable profit.

Management have reviewed the assessed loss (unused tax losses/credits) of the company in order to determine the appropriate rate at which to measure deferred tax and believe that within the next 24 months, subsequent to the financial year end, there will be sufficient future taxable profits to realise the unused tax losses to its full extent..

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

ACCOUNTING POLICIES

1.3 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially recognised at cost and subsequently at fair value, with changes in fair value recognised in profit or loss in the period in which it arises

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and 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
Furniture, fixtures and equipment	Straight line	6 years
Operating supplies and equipment	Straight line	5 years
IT equipment	Straight line	3 years
Kitchen equipment	Straight line	6 years
Generators	Straight line	15 years

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

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.

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

ACCOUNTING POLICIES

1.5 Financial instruments

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

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

Financial assets which are equity instruments:

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

Financial assets which are debt instruments:

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

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

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

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

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Trade and other payables

Classification

Trade and other payables (note 13), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

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

ACCOUNTING POLICIES

1.5 Financial instruments

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Deferred tax assets and liabilities

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

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

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

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

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

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

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

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

Tax expenses

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

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to the net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

ACCOUNTING POLICIES

1.8 Share capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of leave pay and sick leave, bonuses, and non-monetary benefits such as medical care, are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments are charged as an expense as they fall due.

1.10 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Hotel service income
- Food, beverages and other income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Sale of Goods:

Revenue is recognised on a contract by contract basis.

The performance obligation of the entity is the delivery of goods to the customer. The entity's revenue is derived from selling goods. Revenue recognition is deferred to the point when control transfers to the customer.

There is no variable consideration and is therefore not part of the contract. Rendering of services

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer. Revenue is recognised on a contract by contract basis.

The performance obligation of the entity is the delivery to the customer. The entity's revenue is derived from providing accommodation and other services. Revenue recognition occurs when the performance obligation to the customer is satisfied.

1.11 Borrowing costs

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

1.12 Operating expenses

Operating expenses, other than those specifically detailed within another accounting policy, are recognised in profit or loss when there are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants

1.13 Related parties

A related party is a person or entity with the ability to control or jointly control the company, or exercise significant influence over the company, or vice versa. As a minimum, the following are regarded as related parties of the company:

1. A person or a close member of that person's family is related to the company if that person:
 - has control or joint control of the company;
 - has significant influence over the company; or
 - is a member of key management personnel of the company.
2. An entity is related to the company if any of the following conditions apply:
 - the entity is controlled or jointly controlled by a person identified as a related party;
 - a person identified as having control or joint control over the company has significant influence over the entity or is a member of key management personnel of the entity; or
 - the entity provides key management personnel services to the company.

A related party transaction is a transfer of resources, services or obligations between the company and a related party, regardless of whether a price is charged.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment

Figures in Rand	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture, fixtures and equipment - other	3 519 499	(1 506 614)	2 012 885	3 519 499	(920 019)	2 599 480
Furniture, fixtures and equipment - public areas	9 462 545	(4 046 855)	5 415 690	9 462 545	(2 469 732)	6 992 813
Furniture, fixtures and equipment - rooms	14 035 057	(5 985 101)	8 049 956	14 433 971	(3 773 308)	10 660 663
Operating supplies and equipment	13 178 678	(6 750 099)	6 428 579	15 496 887	(4 840 736)	10 656 151
IT equipment	238 255	(156 879)	81 376	238 255	(77 469)	160 786
Generators	4 514 419	(376 390)	4 138 029	4 514 419	(75 278)	4 439 141
Kitchen equipment	746 340	(313 700)	432 640	746 340	(189 315)	557 025
Total	45 694 793	(19 135 638)	26 559 155	48 411 916	(12 345 857)	36 066 059

Reconciliation of property, plant and equipment - 2024

	Opening balance	Write off	Depreciation	Total
Furniture, fixtures and equipment - other	2 599 480	-	(586 595)	2 012 885
Furniture, fixtures and equipment - public areas	6 992 813	-	(1 577 123)	5 415 690
Furniture, fixtures and equipment - rooms	10 660 663	(204 997)	(2 405 710)	8 049 956
Operating supplies and equipment	10 656 151	(1 128 195)	(3 099 377)	6 428 579
IT equipment	160 786	-	(79 410)	81 376
Generators	4 439 141	-	(301 112)	4 138 029
Kitchen equipment	557 025	-	(124 385)	432 640
	36 066 059	(1 333 192)	(8 173 712)	26 559 155

Reconciliation of property, plant and equipment - 6 months ending 31 December 2023

	Opening balance	Additions	Depreciation	Total
Furniture, Fixtures and Equipment - other	2 892 777	-	(293 297)	2 599 480
Furniture, Fixtures and Equipment - public areas	7 755 547	24 960	(787 694)	6 992 813
Furniture, Fixtures and Equipment - rooms	11 863 518	-	(1 202 855)	10 660 663
Operating Supplies and Equipment	12 205 840	-	(1 549 689)	10 656 151
IT equipment	156 194	40 700	(36 108)	160 786
Generators	-	4 514 419	(75 278)	4 439 141
Kitchen equipment	619 217	-	(62 191)	557 025
	35 493 093	4 580 079	(4 007 112)	36 066 059

Property, plant and equipment encumbered as security

Refer to note 12 for details of property, plant and equipment encumbered as security for borrowings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

3. Investment property

Figures in Rand	2024			2023		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Investment property	779 640 000	-	779 640 000	764 600 000	-	764 600 000

Reconciliation of investment property - 31 December 2024

	Opening balance	Fair value adjustments	Total
Investment property	764 600 000	15 040 000	779 640 000

Reconciliation of investment property - 6 months ending 31 December 2023

	Opening balance	Fair value adjustments	Total
Investment property	590 809 625	173 790 375	764 600 000

Pledged as security

The following investment property have been pledged as security for the secured long-term borrowings as per note 12.

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Details of property		
Property 1		
Portion 15 ERF 379 Umhlanga Rocks, Registration Division FU, Province of Kwa-Zulu Natal, in extent approximately 5.13568 hectares		
- Purchase price: 1 December 2005	56 044 000	56 044 000
- Additions since purchase or valuation	13 764 806	13 764 806
- Capitalised expenditure	521 000 819	521 000 819
- Fair value	188 830 375	173 790 375
	779 640 000	764 600 000

Details of valuation

The effective date of the revaluations was 1 October 2024. Revaluations were performed by an independent valuer, Mr Graham Allan. Mr Graham Allan is not connected to the company and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

4. Goodwill

Figures in Rand	2024			2023		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	28 800 042	(10 080 014)	18 720 028	28 800 042	(7 200 010)	21 600 032

Reconciliation of goodwill - 31 December 2024

	Opening balance	Impairment loss	Total
Goodwill	21 600 032	(2 880 004)	18 720 028

Reconciliation of goodwill - 6 months ended 31 December 2023

	Opening balance	Impairment loss	Total
Goodwill	23 040 034	(1 440 002)	21 600 032

5. Loan to shareholder

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Tour the World Proprietary Limited	4 000	4 000

This loan is unsecured, interest free and not repayable within the next 12 months of statement of financial position date.

6. Deferred tax

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Deferred tax (liability)/asset		
Deferred Tax (liability)/asset	57 704 224	12 962 030
Deferred tax (liability)/asset	57 704 224	12 962 030
Reconciliation of deferred tax asset/(liability)		
At beginning of year	12 962 030	(6 166 215)
Increases (decrease) in tax loss available for set off against future taxable income	5 807 234	39 883 902
Investment property at fair value	50 984 201	(19 898 597)
Leave pay provision	(105 807)	(130 844)
Prepaid expenses	104 540	199 976
Income received in advance	(1 814 597)	(926 192)
Accrued expense	(10 233 377)	-
	57 704 224	12 962 030

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

7. Inventories

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Food	762 620	268 121
Guest supplies	316 056	467 937
Beverage	456 494	442 704
Printing and stationery	373 709	360 839
	1 908 879	1 539 601

8. Trade and other receivables

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Financial instruments:		
Trade receivables	6 332 531	9 250 081
Deposits	5 451	12 401
Non-financial instruments:		
Prepayments	387 184	740 654
Total trade and other receivables	6 725 166	10 003 136
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	6 337 982	9 262 482
Non-financial instruments	387 184	740 654
	6 725 166	10 003 136

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

9. Cash and cash equivalents

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Cash and cash equivalents consist of:		
Cash on hand	82 427	164 932
Bank balances	33 371 211	26 389 050
	33 453 638	26 553 982
The following facility is available for future operating activities and commitments:		
- Bank Overdraft	R 5 000 000	
The abovementioned facility is secured over the following:		
-Suretyship by Mr R Alexander and Mr V Reddy	R 5 000 000	

10. Share capital

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Authorised		
100 000 000 ordinary shares of no par value	100 000 000	100 000 000
50 000 000 "F" class shares of no par value	50 000 000	50 000 000
	150 000 000	150 000 000
Reconciliation of number of shares issued:		
Reported as at 01 January 2024	20 592 987	-
Issued		
100 Ordinary shares at no par value	100	100
20 592 987 Ordinary shares at no par value	411 823 740	411 823 740
	411 823 840	411 823 840

11. Loan from group company

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Oceans Umhlanga Proprietary Limited	22 970 154	11 591 603

This loan is unsecured, interest free and not repayable within the next 12 months of statement of financial position date

12. Other financial liabilities

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
At amortised cost		
1.1 Industrial Development Corporation - 20021517	156 577 852	165 341 081
1.2 Industrial Development Corporation - 20022612	42 280 284	44 277 998
1.3 Industrial Development Corporation - 20024871	49 700 501	54 734 719
ABSA Bank	2 872 189	3 758 478
	251 430 826	268 112 276

Security

1. Industrial Development Corporation has agreed to make a loan available to the company in an aggregate amount of approximately R 260 000 000 made up of:
 - 1.1 A capital amount equal to R 170 000 000 to be utilised for the purpose of construction costs, furniture, fitting and equipment, working capital requirements and pre-opening expenses of the development.
 - 1.2 A capital amount equal to R 50 000 000 to be utilised for the purpose of construction costs, furniture, fitting and equipment, working capital requirements and pre-opening expenses of the development.
 - 1.3 A capital amount equal to R 40 000 000 to be utilised for the purpose of furniture, fitting and equipment and operating supplies and equipment of the hotel.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

12. Other financial liabilities

2. Repayment:
 - 2.1 The loan amount in 1.1 above (capital and capitalised interest) shall be repaid in 114 (one hundred and fourteen) equal monthly instalments, the first of which was paid on the 7 May 2023 the first drawing date and the remainder thereafter on the first day of each and every succeeding month, until the loan has been repaid in full.
 - 2.1 The loan amount in 1.2 above (capital and capitalised interest) shall be repaid in 114 (one hundred and fourteen) equal monthly instalments, the first of which was paid on the 2nd May 2023 and the remainder thereafter on the first day of each and every succeeding month, until the loan has been repaid in full.
 - 2.3 The loan amount in 1.3 above shall be repaid subject to 12 (twelve) month interest and 18 (eighteen) month capital moratorium calculated from the first drawdown date of the loan and shall thereafter be repaid in 120 (one hundred and twenty) equal monthly instalments, the first repayment of which shall be paid on the 13th (thirteenth) month and 19th (nineteenth) month respectively following the loan moratorium period and thereafter on the first day of each and every succeeding month until the loan has been repaid full.
3. Interest rate:
 - 3.1 A fixed rate equal to 10,45% shall apply to the loan in 1.2 above, for the first seven years reckoned from the first drawdown date of the loan, and thereafter, a rate equal to 1.8% above the prime overdraft rate shall apply to the loan for the remainder of the term, for as long as the borrower is not in breach of the developmental obligations.
 - 3.2 A rate equal to 1.8% above the prime overdraft rate shall apply to the balance of the loan referred to in note 1.1 above for as long as the borrower is not in breach of any of the development obligations.
 - 3.3 The loan in note 1.3 above shall bear interest at a rate of 4.45% above the prime overdraft rate from the first drawdown date. If the borrower has breached any of its development obligations, the loan shall, at the sole discretion of the lender, bear interest at 5.45% (five point four five percent) above the prime overdraft rate.
4. The above loan is secured over; either:
 - 4.1 A first covering mortgage bond over the borrowers real right, to be registered by the borrower in favour of the lender and for the borrowers account, to the value of not less than R 330 000 000 plus an additional amount.
 - 4.2 A general notarial bond over all the moveables 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 of R 10 000 000
5. Guarantees:
 - 5.1 Unlimited guarantee to the value of the loan plus interest and costs of concluded by/between Ocean Umhlanga (Pty) Ltd and Oceans Holdings (Pty) Ltd respectively.
 - 5.2 Proportional guarantee to the value of the loan plus interest and costs concluded between Vathasallum Reddy and Robert Edward Alexandra, R and A Administration of Proprietary Limited and the trustees of the Gotya Share Trust.
6. Cession and Pledges:
 - 6.1 Unlimited pledge and cession of Oceans Umhlanga (Pty) Ltd and Oceans Holdings (Pty) Ltd rights, titles and interest in and to the issued share held by the company respectively.
 - 6.2 Unlimited cession of Oceans Umhlanga (Pty) Ltd and Oceans Holdings (Pty) Ltd to the loans and claims held by the company respectively.
 - 6.3 Subordinations of loans held in and against the company by Oceans Umhlanga (Pty) Ltd and Oceans Holdings (Pty) Ltd respectively.
 - 6.4 Cession of the companies rights, title and interest in and to:
 - Its Bank accounts
 - Insurance policies and proceeds relating to the construction and completion of the building end
 - Material agreements
 - 6.5 Unlimited cession of rights, title and interest in and to the construction guarantee.
 - 6.6 Unlimited cession of rights, title and interest in and to the building contract.

13. Trade and other payables

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Exposure to currency risk	4 954 330	5 276 759
Payroll accruals	907 691	1 015 679
Unallocated share capital	1 273 104	1 273 104
Accrued expense	37 917 595	38 232 056
Unallocated deposits	1 061 696	680 834
Other payables	145 500	101 587
Non-financial instruments:		
Amounts received in advance	6 720 730	5 675 252
Value added taxation	1 987 187	1 964 041
	54 967 833	54 219 312

Exposure to currency risk

The company is exposed to currency risk related to trade payables because certain wholesale transactions are denominated in foreign currencies.

14. Revenue

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Revenue from contracts with customers		
Hotel services income	126 442 161	63 926 889
Food, beverages and other income	53 071 633	24 947 268
	179 513 794	88 874 157

15. Cost of sales

Rendering of services	37 632 513	17 705 045
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16. Other operating gains (losses)

Foreign exchange gains (losses)		
Net foreign exchange loss	(14 646)	(65 513)
Fair value gains (losses)		
Investment property	15 040 000	173 790 375
Total other operating gains (losses)	15 025 354	173 724 862

17. Investment income

Interest income		
Investments in financial assets:		
Bank	2 048 236	758 220

18. Finance costs

Interest on IDC Loan	38 506 818	18 462 729
Late payment of tax	-	1 153
Total finance costs	38 506 818	18 463 882

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

19. Taxation

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Major components of the tax expense (income)		
Deferred		
Originating and reversing temporary differences	(44 742 194)	(19 128 245)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit	11 198 434	152 673 840
Tax at the applicable tax rate of 27% (2023: 27%)	3 023 577	41 221 937
Tax effect of adjustments on taxable income		
Deferred tax adjustment	(44 742 194)	-
Fines	-	311
Legal fees	7 493	-
Non deductible donations	424	-
Tax losses utilised	(3 031 494)	(60 350 493)
	(44 742 194)	(19 128 245)

20. Employee costs

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Employee costs		
Basic	19 382 635	8 399 913
Bonus	855 945	590 092
Medical aid - company contributions	382 229	213 333
Unemployment insurance fund	179 674	74 707
Workman's compensation act	142 262	58 304
Skills development levy	221 143	89 018
Other payroll levies	1 996 084	612 276
Other short-term costs	1 201 543	460 363
	24 361 515	10 498 006

21. Depreciation and amortisation

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Depreciation		
Property, plant and equipment	8 173 712	4 007 114
Impairment losses		
Goodwill	2 880 004	1 440 002
Total depreciation, amortisation and impairment		
Depreciation	8 173 712	4 007 114
Amortisation	2 880 004	1 440 002
	11 053 716	5 447 116

22. Cash generated from operations

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Loss before taxation	(18 881 566)	152 673 840
Adjustments for non-cash items:		
Depreciation and amortisation	11 053 716	5 447 116
Losses on exchange differences	14 646	65 513
Fair value losses (gains)	15 040 000	(173 790 375)
Adjust for items which are presented separately:		
Interest income	(2 048 236)	(758 220)
Finance costs	38 506 818	18 463 882
Changes in working capital:		
(Increase) decrease in inventories	(369 279)	424 721
(Increase) decrease in trade and other receivables	3 277 970	(816 906)
Increase (decrease) in trade and other payables	748 521	21 042 861
	47 342 590	22 752 432

23. Related parties

Relationships

Common Directors

Oceans Umhlanga Proprietary Limited
Tour The World Proprietary Limited

Figures in Rand	2024 12 months ended December 2024	2023 6 months ended 31 December
Related party balances		
Loan accounts - Owing (to) by related parties		
Tour The World Proprietary Limited	4 000	4 000
Oceans Umhlanga Proprietary Limited	(22 970 154)	(11 591 602)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

24. Comparative figures

Certain comparative figures have been reclassified.

25. Contingencies

Management has assessed the company's operations and confirms that, as of the reporting date, there are no contingent liabilities requiring disclosure in these annual financial statements.

26. 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.

27. Directors' emoluments Non-Executive

31 December 2024

	Fees for services as non- executive director	Total
Directors' emoluments		
Vathasallum Reddy	532 120	532 120
Theresa Mokgokong	626 280	626 280
Robert Edward Alexander	275 600	275 600
Ahmed Vally Mahomed	330 720	330 720
Dulipkumar Itcharam Garach	334 960	334 960
	2 099 680	2 099 680

2023 - 6 months ending 31 December 2023

Directors' emoluments	Fees for services as non- executive director	Total
Vathasallum Reddy	476 000	476 000
Theresa Mokgokong	234 000	234 000
Robert Edward Alexander	306 000	306 000
Ahmed Vally Mahomed	119 600	119 600
Dulipkumar Itcharam Garach	336 000	336 000
	1 471 600	1 471 600

28. 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 are not aware of any new material changes that may adversely impact 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.

29. Financial instruments and risk management

Categories of financial instruments

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Figures in Rand		2024 12 months ended December 2024	2023 6 months ended 31 December
Loans from group companies	11	22 970 154	11 591 603
Financial liabilities at fair value	12	251 430 826	268 112 276
Trade and other payables	13	54 967 830	54 219 308
Total borrowings		329 368 810	333 923 187
Cash and cash equivalents	9	(33 453 638)	(26 553 982)
Net borrowings		295 915 172	307 369 205
Equity		595 346 280	539 405 651
Gearing ratio		50 %	57 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(CONTINUED)

30. New Standards and Interpretations

30.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact

Figures in Rand	Note(s)	2024 12 months ended December 2024	2023 6 months ended 31 December
Revenue			
Hotel service income		126 442 161	63 926 889
Food, beverage and other income		53 071 633	24 947 268
	14	179 513 794	88 874 157
Cost of sales	15	(37 632 513)	(17 705 045)
Gross profit		141 881 281	71 169 112
Other operating income			
ETI		30 401	-
Insurance claims		-	47 622
		30 401	47 622
Other operating gains (losses)			
Foreign exchange losses		(14 646)	(65 513)
Fair value gain - Investment property		15 040 000	173 790 375
	16	15 025 354	173 724 862
Expenses (Refer to page 36)		(109 280 020)	(74 562 095)
Operating profit		47 657 016	170 379 501
Investment income	17	2 048 236	758 220
Finance costs	18	(38 506 818)	(18 463 882)
Profit (loss) before taxation		11 198 434	152 673 839
Taxation	19	44 742 194	19 128 245
Total comprehensive income		55 940 628	171 802 084

Oceans Hotel Limited
(Registration number 2016/210810/06)
Annual Financial Statements for the year ended 31 December 2024

Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024 12 months ended December 2024	2023 6 months ended 31 December
Other operating expenses			
Accounting fees		148 750	-
Administration fees - IPO		479 600	160 752
Advertising		7 378 839	3 575 522
Agents fees		12 429 734	5 532 599
Amortisation	21	2 880 004	1 440 002
Assessment rates & municipal charges		17 358 702	31 556 484
Auditor's remuneration		347 900	132 425
Bank charges		3 812 783	1 827 290
Cleaning		2 707 167	2 725 177
Computer expenses		3 918 764	1 501 914
Consulting fees		1 016 093	741 560
Depreciation	21	8 173 712	4 007 114
Director fees	27	2 099 680	89 700
Donations		1 570	-
Employee costs	20	24 361 515	10 498 006
Entertainment		402 596	194 348
Fines and penalties		126 464	199 791
Insurance		1 679 277	732 795
Leases of low value assets		63 726	85 628
Legal expenses		27 753	-
Levies		2 609 972	1 304 986
Loss on write-off relating to property, plant and equipment		1 333 192	-
Printing and stationery		932 695	422 454
Protective clothing		154 190	28 555
Radisson incentive fees		4 354 582	2 111 616
Radisson management fees		3 590 276	1 765 435
Repairs and maintenance		2 631 874	1 460 379
Secretarial fees		-	19 000
Security		2 281 732	1 102 661
Social and HR Costs		23 995	62 927
Subscriptions		792 774	440 987
Telephone and fax		481 520	471 953
Training		137 886	158 874
Travel - local		540 703	211 160
		109 280 020	74 562 095

