

**REGISTRATION OF EXERCISE PROFESSIONAL SOUTH AFRICA (PROPRIETARY)
LIMITED**

(Registration number 2010/018262/07)

Annual financial statements
for the year ended 28 February 2018

Tichauer & Bloch
Chartered Accountants (SA)
Registered Auditors
Issued 16 August 2018

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Index

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

	Page
Directors' Responsibilities and Approval	2
Directors' Report	3 - 4
Practitioner's Compilation Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 13
Detailed Income Statement	14

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

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 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 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 28 February 2019 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 annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the directors on 16 August 2018 and were signed on its behalf by:

S.A Schreuder

M.R Petzer

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Registration Of Exercise Professional South Africa (Proprietary) Limited for the year ended 28 February 2018.

1. Nature of business

Registration Of Exercise Professional South Africa (Proprietary) Limited was incorporated in South Africa with interests in the fitness industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The 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 company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of 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 28 February 2018.

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

S.A Schreuder

M.R Petzer

6. 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.

7. 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.

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Directors' Report

8. 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.



Practitioner's Compilation Report

To the shareholders of Registration Of Exercise Professional South Africa (Proprietary) Limited

We have compiled the annual financial statements of Registration Of Exercise Professional South Africa (Proprietary) Limited, as set out on pages 6 - 13, based on the information you have provided. These annual financial statements comprise the statement of financial position of Registration Of Exercise Professional South Africa (Proprietary) Limited as at 28 February 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Tichauer & Bloch
Chartered Accountants (S.A)
Registered Auditors

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	36,670	-
Current Assets			
Cash and cash equivalents	4	29,330	74,755
Total Assets		66,000	74,755
Equity and Liabilities			
Equity			
Share capital	5	100	100
Retained income		30,692	20,796
		30,792	20,896
Liabilities			
Non-Current Liabilities			
Loans payable		28,568	28,568
Current Liabilities			
Trade and other payables	6	-	22,500
Current tax payable		6,640	2,791
		6,640	25,291
Total Liabilities		35,208	53,859
Total Equity and Liabilities		66,000	74,755

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	7	513,299	358,614
Operating expenses		(499,554)	(347,436)
Operating profit		13,745	11,178
Profit before taxation		13,745	11,178
Taxation	8	(3,849)	(3,130)
Profit for the year		9,896	8,048
Other comprehensive income		-	-
Total comprehensive income for the year		9,896	8,048

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2016	100	12,748	12,848
Profit for the year	-	8,048	8,048
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	8,048	8,048
Balance at 01 March 2017	100	20,796	20,896
Profit for the year	-	9,896	9,896
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	9,896	9,896
Balance at 28 February 2018	100	30,692	30,792
Note(s)	5		

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from operations	10	1,721	6,179
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(47,146)	-
Total cash movement for the year		(45,425)	6,179
Cash at the beginning of the year		74,755	68,576
Total cash at end of the year	4	29,330	74,755

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 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.

1.3 Tax

Current tax assets and liabilities

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

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

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.3 Tax (continued)

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

1.4 Revenue

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

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

1.5 Borrowing costs

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

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	47,146	(10,476)	36,670	-	-	-

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	-	47,146	(10,476)	36,670

3. Deferred tax

Reconciliation of deferred tax asset/(liability)

At beginning of year	-	339
Recognised in profit or loss:		
Increases (decrease) in tax loss available for set off against future taxable income	-	(339)
At end of year	-	-

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	29,330	74,755
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5. Share capital

Authorised

1000 Ordinary shares of R1 each	1,000	1,000
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Issued

Ordinary	100	100
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6. Trade and other payables

Accrued compiler's remuneration	-	22,500
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7. Revenue

Sale of goods	513,299	358,614
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Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
8. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	3,849	2,791
Deferred taxation		
South African deferred tax - current year	-	339
	3,849	3,130
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	13,745	11,178
Tax at the applicable tax rate of 28%	3,849	3,130
9. Compiler remuneration		
Fees	-	4,500
10. Cash generated from operations		
Profit before taxation	13,745	11,178
Adjustments for:		
Depreciation and amortisation	10,476	-
Changes in working capital:		
Trade and other payables	(22,500)	(4,999)
	1,721	6,179

Registration Of Exercise Professional South Africa (Proprietary) Limited

(Registration number: 2010/018262/07)

Annual Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Revenue	7	513,299	358,614
Operating expenses			
Accounting fees		64,452	28,582
Advertising		254	235
Bank charges		3,821	4,648
Compiler's remuneration	9	-	4,500
Computer expenses		36,191	4,304
Consulting and professional fees		209,500	42,783
Depreciation, amortisation and impairments		10,476	-
Employee costs		-	165,032
Entertainment		100	202
Gifts		415	418
Insurance		65,425	20,510
Printing and stationery		14,161	12,254
Telephone and fax		41,175	23,747
Travel - local		53,584	40,221
		499,554	347,436
Profit before taxation		13,745	11,178
Taxation	8	(3,849)	(3,130)
Profit for the year		9,896	8,048