

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Advertising and marketing
<b>Directors</b>	N Scheuble R Specht
<b>Registered office</b>	21 Forssman Close Barbeque Downs Midrand 1684
<b>Postal address</b>	21 Forssman Close Barbeque Downs Midrand 1684
<b>Registered auditor</b>	Grace Hughes & Associates Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Company registration number</b>	2015/300314/07
<b>Issued</b>	8 May 2020

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**CONTENTS**

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

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**Level of assurance**

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

**Preparer**

These annual financial statements were prepared by:  
T Vukoicic

**Published**

8 May 2020

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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The directors are required by the Companies Act of South Africa, 71 of 2008, to maintain adequate 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 directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the 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. 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 subsequent to 31 March 2020 and, in 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 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved and signed by the directors on 8 May 2020



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**N Scheuble**

8 May 2020

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**R Specht**

# GRACE HUGHES & ASSOCIATES

Chartered Accountants (S.A.)

SAICA No.00167157

IRBA No. 583626

10 ANNA AVENUE  
GLENANDA  
2091

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GLENVISTA  
2058

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## INDEPENDENT REVIEWER'S REPORT

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To the shareholders of Spark44 South Africa Proprietary Limited

We have reviewed the annual financial statements of Spark44 South Africa Proprietary Limited, set out on pages 6 to 15, which comprise the statement of financial position as at 31 March 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibilities for the Annual Financial Statements

The company's directors are responsible for the preparation of the annual financial statements in accordance with the 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 necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error.

### Independent Reviewer Responsibility

Our responsibility is to express a conclusion on these annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Annual Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of Spark44 South Africa Proprietary Limited as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Other reports required by the Companies Act

As part of our independent review of the annual financial statements for the year ended 31 March 2020, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between that report and the reviewed annual financial statements. The Directors' Report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the reviewed annual financial statements. However, we have not reviewed the Directors' Report and accordingly do not express a conclusion thereon.



Grace Hughes & Associates  
Chartered Accountants (S.A.)  
G.M. Hughes  
Registered Auditor  
8 May 2020  
Johannesburg

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G.M HUGHES CA (SA)

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**DIRECTORS' REPORT**

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The directors have pleasure in submitting their report on the annual financial statements of Spark44 South Africa Proprietary Limited for the year ended 31 March 2020.

**1. Nature of business**

Spark44 South Africa Proprietary Limited conducts business in South Africa and renders advertising and marketing services for Jaguar and Land Rover.

**2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with the 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.

**3. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>Authorised and issued</b>		
1000 Ordinary shares of no par value	<u>1000</u>	<u>1000</u>

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

**4. Directors**

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

Nicola Scheuble

Ralf Specht

There have been no changes to the directorate for the period under review.

**5. 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.

**6. 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.

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**STATEMENT OF FINANCIAL POSITION**

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		2020	2019
	Notes	R	R
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	656 480	618 377
		<u>656 480</u>	<u>618 377</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables		8 988 624	9 119 203
Cash and cash equivalents		1 276 266	1 676 456
		<u>10 264 890</u>	<u>10 795 659</u>
<b>Total Assets</b>		<u><u>10 921 370</u></u>	<u><u>11 414 036</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	3	1 000	1 000
Retained profit		3 094 955	3 077 433
		<u>3 095 955</u>	<u>3 078 433</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		7 493 889	7 999 066
Taxation payable		331 526	336 537
		<u>7 825 415</u>	<u>8 335 603</u>
<b>Total Liabilities</b>		<u>7 825 415</u>	<u>8 335 603</u>
<b>Total Equity and Liabilities</b>		<u><u>10 921 370</u></u>	<u><u>11 414 036</u></u>

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2020**

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		2020	2019
	Notes	R	R
<b>REVENUE</b>			
Sales		11 726 918	15 385 804
<b>OTHER INCOME</b>			
Interest received		101 691	116 454
Foreign exchange gain		49 998	25 222
<b>Gross profit</b>		11 878 607	15 527 480
<b>OPERATING EXPENSES</b>		11 856 604	14 200 884
<b>OPERATING PROFIT</b>	4	22 003	1 326 596
Profit before taxation		22 003	1 326 596
Taxation	5	( 4 481)	( 371 287)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>17 522</b>	<b>955 309</b>

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**STATEMENT OF CHANGES IN EQUITY**

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	<b>Share capital</b>	<b>Retained income</b>	<b>Total equity</b>
	R	R	R
Balance at 31 March 2018	1 000	2 122 124	2 123 124
Total comprehensive profit for the year		955 309	955 309
Balance at 31 March 2019	1 000	3 077 433	3 078 433
Total comprehensive profit for the year		17 522	17 522
<b>Balance at 31 March 2020</b>	<b>1 000</b>	<b>3 094 955</b>	<b>3 095 955</b>



**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**STATEMENT OF CASH FLOWS**

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	Notes	2020 R	2019 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated (absorbed) by operations	6	(226 961)	269 485
Interest received		101 689	116 448
Taxation	7	(9 493)	-
<b>Net cash from operating activities</b>		<b>(134 765)</b>	<b>385 933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(265 426)	(479 837)
<b>Net cash from investing activities</b>		<b>(265 426)</b>	<b>(479 837)</b>
<b>TOTAL CASH MOVEMENT FOR THE YEAR</b>		<b>(400 191)</b>	<b>(93 904)</b>
Cash and cash equivalent at the beginning of the year		1 676 456	1 770 360
<b>Total cash and cash equivalents at the end of the year</b>		<b>1 276 265</b>	<b>1 676 456</b>

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**ACCOUNTING POLICIES**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards 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 except where otherwise stated and incorporate the principal accounting policies set out below, which are consistent in all material respects with those applied in the previous year.

The annual financial statements are presented in South African Rands.

**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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment are carried at cost less accumulated depreciation and any

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The following depreciation methods and useful lives are used for the depreciation of property, plant and equipment:

Item	Depreciation method	Average useful life
Computer hardware	Straight line	3 years
Computer software	Straight line	2 years
Office equipment	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

**1.2 Financial instruments**

Financial instruments include all financial assets and liabilities held for liquidity, investment or hedging purposes. Financial instruments are initially measured at fair value plus transaction costs, except those carried at fair value through profit or loss where the transaction costs are recognised immediately in the statement of profit or loss and other comprehensive income.

Financial instruments are recognised on the date the company commits to purchase or sell the instruments (trade date accounting)

## **1.2 Financial instruments (continued)**

### **Loans and trade receivables**

Loans and trade receivables are measured at amortised cost using the effective interest rate method, less any impairment.

Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial

### **Cash and cash equivalents**

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

### **Loans and trade payables**

Loans and trade payables are initially measured at fair value, net of transaction costs.

Subsequently they are measured at amortised cost using the effective interest rate method, with interest expense recognised on the basis of the effective interest rate method.

The effective interest rate 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 through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial

## **1.3 Taxation**

### **Current taxation and liabilities**

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

### **Deferred taxation assets and liabilities**

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred taxation assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position

Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is dealt with in equity.

### **1.3 Taxation (continued)**

#### **Taxation expense**

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 Provisions and contingencies**

Provisions are recognised when:

- the company has a present obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

### **1.5 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 value added taxation and discounts.

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

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**2. PROPERTY, PLANT AND EQUIPMENT**

	<b>2020</b>			<b>2019</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Computer hardware	1 033 003	860 520	172 483	879 322	720 241	159 081
Computer software	78 357	78 356	1	78 357	61 115	17 242
Office equipment	587 517	103 521	483 996	475 772	33 718	442 054
	<u>1 698 877</u>	<u>1 042 397</u>	<u>656 480</u>	<u>1 433 451</u>	<u>815 074</u>	<u>618 377</u>

**Reconciliation of fixed assets- 2020**

	<b>Net carrying value</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Carrying value</b>
Computer hardware	159 081	153 681	140 279	172 483
Computer software	17 242	-	17 241	1
Office equipment	442 054	111 745	69 803	483 996
	<u>618 377</u>	<u>265 426</u>	<u>227 323</u>	<u>656 480</u>

**Reconciliation of fixed assets- 2019**

	<b>Additions / (desposal)</b>	<b>Depreciation</b>	<b>Carrying value</b>
Computer hardware	37 183	273 851	159 081
Computer software	(5 814)	16 187	17 242
Office equipment	448 468	26 800	442 054
	<u>479 837</u>	<u>316 838</u>	<u>618 377</u>
		2020	2019
		R	R

**3. SHARE CAPITAL**

**Authorised:**

1 000 Ordinary shares of no par value	<u>1 000</u>	<u>1 000</u>
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**Issued:**

1 000 Ordinary shares of no par value	<u>1 000</u>	<u>1 000</u>
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**4. OPERATING PROFIT**

Operating profit for the year is stated after accounting for the following:

Auditors remuneration	24 000	24 700
Depreciation	<u>227 323</u>	<u>316 838</u>

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2020	2019
	R	R
<b>5. TAXATION</b>		
Current taxation		
South African normal tax	4 481	371 287
Reconciliation between accounting profit and tax expense		
Accounting profit before tax	22 003	1 326 596
Tax at the applicable tax rate of 28%	6 161	371 447
Overprovision prior years	( 1 680)	( 160)
	4 481	371 287
<b>6. CASH FLOW STATEMENT</b>		
The following convention applies to figures other than adjustments:		
Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.		
<b>Cash (absorbed) generated by operations</b>		
Net profit before taxation	22 003	1 340 873
Adjustments for:		
Depreciation	227 323	316 838
Net interest received	(101 689)	(116 448)
Operating profit before working capital changes	147 637	1 541 263
Trade and other receivables	130 579	(4973 625)
Trade and other payables	(505 177)	3 716 124
	(226 961)	283 762
<b>7. TAXATION PAID</b>		
Balance at beginning of year	(336 537)	34 750
Current taxation for the year recognised in profit or loss	(4 481)	(371 287)
Balance at end of year	331 526	336 537
	(9 492)	-

**SPARK44 SOUTH AFRICA PROPRIETARY LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**DETAILED INCOME STATEMENT**

		2020	2019
	Notes	R	R
<b>REVENUE</b>			
Rendering of services		11 726 918	15 385 804
<b>Other income</b>			
Interest received		101 691	116 454
Foreign exchange gain		49 998	25 222
		<u>11 878 607</u>	<u>15 527 480</u>
<b>OPERATING EXPENSES</b>			
Auditors remuneration		24 000	24 700
Accounting fee		6 750	-
Bank charges		10 937	14
Cleaning		37 460	40 750
Computer expenses		486 357	430 622
Depreciation		227 323	316 838
Entertainment		98 280	68 908
Foreign exchange loss		202 504	42 509
Insurance		78 466	68 454
Interest paid		2	6
Legal fees		14 175	18 080
Management fees		1 011 981	1 527 504
Printing, stationery and postage		3 016	12 780
Rent and municipal expenses		562 103	260 631
Repairs and maintenance		2 869	122 126
Salaries, wages and contributions		8 658 715	10 262 920
Security		21 000	185 228
Subscriptions		13 502	49 695
Telephone and fax		162 116	168 271
Travel and accomodation		235 048	586 571
		<u>11 856 604</u>	<u>14 186 607</u>
<b>Operating profit</b>	4	<u>22 003</u>	<u>1 340 873</u>
<b>PROFIT FOR THE YEAR</b>		<u>22 003</u>	<u>1 340 873</u>
<b>Taxation</b>	5	<u>4 481</u>	<u>371 287</u>
<b>Total profit for the year</b>		<u><u>17 522</u></u>	<u><u>969 586</u></u>