

Sabie River Share Block Proprietary Limited

Registration No. 1963/003920/07

Annual Report

for the year ended 31 December 2021



Sabie River Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2021

COMPANY INFORMATION

Registration number: 1963/003920/07
Registered address: Palazzo Towers West
Montecasino Boulevard
Fourways
2055
Postal address: Private Bag X200
Bryanston
2021

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The following supplementary information does not form part of the annual financial statements and is unaudited:

- Detailed Levy Fund Operating Statement - "A" and "C" Class Shareholders 23 - 24

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The annual financial statements have been audited as required by Section 30(2)(b)(1) of the South African Companies Act 71, of 2008. Mr Darren Park CA(SA), in his capacity as financial manager of Sabie River Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Sabi River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2021



2021 was the second year of impact of the Covid-19 pandemic on Sabi River Sun Resort, although less disruptive than the tumultuous

2020. As we release this report the final Covid related restrictions have been repealed by the Department of Health. We truly hope that this difficult period is behind us and we can return to a more normal world and enjoy our beautiful resort as it is meant to be enjoyed. I am delighted to share with you a brief overview for the period ending 31 December 2021.

The year started off on a distressing note in January 2021 when the resort experienced the devastating effects of Cyclone Eloise, recording rainfall of 351mm for the month. This caused severe damage on the property due to the large volumes of water that fell in a short period of time. Remedial action commenced immediately following the rains and within 10 days the clean-up process was completed.

As the COVID-19 pandemic resulted in numerous alert level changes, as variants of the virus swept across the world, we experienced many local and international visitors having to cancel their travel plans at the last minute, particularly in July 2021, when the devastating 3rd wave resulted in a ban in leisure travel to and from our key Gauteng source market.

Resort Facilities

Our entertainment programme was slowly reintroduced as alert levels for COVID-19 were relaxed; however, the Bird Walk event was suspended due to the tragic passing of Keith Howie. We are in the process of sourcing local bird guides to take over his role.

The golf course has flourished since the recent upgrade and it has been a pleasure noting that golf rounds have steadily increased for all golfers' enjoyment. In light of the additional play, additional golf carts were purchased to increase our fleet to 36 carts. You will be pleased to see further developments that include the installation

of new cart paths at the 4th and 6th tee boxes, as well as the rebuilding of the toilet facility at the 7th tee box.

Our planned project to install a second weir before the Hippo Dam has progressed well, with the completion of the Environmental Impact Study which required the inclusion of "fish ladders" to assist with fish migration. The local municipal authority has approved the phased progress made to date and the management team will continue to obtain the necessary Water Usage License, which we hope to receive in the near future.

Four major projects were run concurrently during the year. These included: replacement of the patio braais, refurbishment and waterproofing of patio roofs, upgrading of galvanised pipe work inside each chalet and replacement of the heat pumps in a phased-approach. Further improvements included: new patio loungers, upgraded parking bay numbers, new lightning masts and remedial work on much of the paving around the resort.

Financial Results for the Year Ended 31 December 2021

Shareholders are referred to the statement of comprehensive income set out on page 13 that reflects the income and expenditure of the Company in a summarised format. The traditional detailed levy fund operating statement is set out on pages 23 to 24 and is presented as supplementary information to shareholders.

The statement of comprehensive income for the year ended 31 December 2021 in this annual report reflected a surplus of R21.7m (2020: R21.4m) after taxation which was transferred to reserve for property, plant and equipment.

Income

Levy Income increased by 4.9%, while other income increased year-on-year with sales of capital assets increasing by R320k on prior year due to the sale of replaced furniture, following the chalets' refurbishment project in 2020/2021. Management continues to pursue opportunities to increase revenue, particularly through short-term rental options.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2021

Expenditure

Total expenditure was R25.9m (2020: R24.4m) which reflected an increase of 6.2%. Major expense variances year-on-year were as follows:

Rooms

Expenditure increased by 34.9% due to closure of the resort for a 4-month period in 2020. The only decrease to 2020 was recorded in replacement of operating equipment, with the replacement of duvets, pillows and mattress protectors taking place in the previous year.

Administration and general

Expenditure decreased by 65.8%. Majority of this decrease was recorded in SunSwop exchange services relating to the non-repeat of the 2020 rebate that was offered to shareholders affected by the lock down period in 2020.

Electricity, water, and refuse

The overall increase of 54.4% was due to the temporary closure of the resort in 2020.

Repairs and maintenance

Expenditure increased by 28.5% due to the temporary closure of the resort in 2020 and limited maintenance being carried out. Due to various plumbing issues and re-laying of water pipes and electrical cables during 2021, significant increases were recorded in plumbing and heating, as well as electrical and mechanical.

Estate maintenance

Expenditure increased by 39.9%, with a significant increase in Sabie River Sun Golf Club subscriptions to fund the additional golf club carts purchased to increase the fleet to 36 carts.

Capital charges

Expenditure increased by 60% due to the temporary closure of the resort in 2020.

Personnel costs

Expenditure increased by 16.1% due to staff being placed on layoff and short pay during the 2020 but returning to full pay during 2021.

Management fee

The 3.3% increase was in line with CPI.

Statement of Financial Position

The statement of financial position reflected on page 14, together with the related notes thereto, represents the financial position of the Company as at 31 December 2021. The reserve for property, plant and equipment increased to R29.2m (2020: R24.6m) while total capital expenditure was R17.1m (2020: R32.6m), and cash and cash equivalents amounted to R44.9m (2020: R36.9m).

The following major capital expenditure was incurred during the year:

	R
Patio roof and chimney waterproofing	5,804,511
Chalet refurbishment	3,335,366
Heat pumps	2,857,763
Pool loungers and umbrellas	906,587
Lightning and surge protection	757,846
Sewerage plant upgrade	464,081
Cherry picker	400,000
Fire sealing	270,915
DSTV upgrade	256,166
Braai pans and grills	244,640
Fencing	236,378
Utility vehicle	149,000
Paving and pathways	129,969
Project team travel costs	120,385

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2021

Vacation Ownership Association of Southern Africa ("VOASA")

For new owners, and as a reminder, VOASA is a self-regulatory member-based trade association for the shared vacation ownership industry in South Africa. It exists to protect consumer rights and commit to ongoing growth in the timeshare industry in a positive and organized manner. The Company remains a member of VOASA and our Director, Mr Anthony Ridl, represents the Company on the VOASA Board.

General

I encourage every shareholder to either personally attend or complete the registration form to attend this year's AGM on 20 July 2022 through the online platform. Should you find yourself unable to attend in any capacity, kindly complete the form of proxy enclosed on page 5.

Conclusion

In closing, I would like to take this opportunity to thank my fellow Directors for their commitment, insight and dedication in serving the interests of all shareholders. On behalf of the Board, I extend our gratitude and appreciation to the management and support team of Southern Sun for their knowledge, expertise and reliability and last but certainly not least, I extend heartfelt thanks to our hospitable members of staff who ensure the operational success of our "piece of heaven".

I wish you all a great and prosperous year ahead.



Marcel von Aulock
Chairman

Notice is hereby given to the shareholders of the Company that the annual general meeting ("AGM") of the Company will be held on **Wednesday, 20 July 2022, at 10h30 at Southern Sun Hyde Park Hotel, 1st Road, Hyde Park, Sandton** for the purposes of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary and special resolutions set out hereunder, and considering any other matters raised by shareholders at the AGM.

1. Receipt and adoption of annual financial statements and reports

Ordinary resolution 1: Resolved as an ordinary resolution to receive and adopt the annual financial statements of the Company for the financial year ended 31 December 2021, together with the reports of the Directors, the independent auditors thereon, and further to receive the reports of the audit committee and the social and ethics committee contained in the annual report of the Company for the financial year ended 31 December 2021, and tabled at the meeting at which this resolution was proposed.

2. Appointment of auditors

Ordinary resolution 2: Resolved as an ordinary resolution upon the recommendation of the Board that BDO South Africa Incorporated ("BDO") be and are hereby appointed as independent auditors of the Company until the conclusion of the next AGM of the Company.

3. Election of Directors

The Board is limited by the memorandum of incorporation ("MOI") to thirteen (13) Directors in number, the "A" and "C" class shareholders together being entitled to appoint four (4) Directors, the "D" class shareholders being entitled to appoint two (2) Directors and the "B" class shareholders being entitled to appoint the remaining Directors. The "D" class shares have not been issued. The other Directors currently in office and appointed by the "B" class shareholders are Messrs Jacobus Boshoff, Johannes van Rooyen, Darren Park, Peter Pienaar, Marcel von Aulock and Ms Samantha Croft. It would facilitate secretarial procedures if **nominations for the appointment of those Directors representing the "A" and "C" class shareholders be received by no later than 10h30 on Monday, 18 July 2022 at the registered office of the Company or email address. Nominations must be in writing with the name of the proposer and seconder and be accompanied by the acceptance of such nomination by the nominee and their curriculum vitae ("CV").**

Ordinary resolution 3.1: Resolved as an ordinary resolution that Mr Raymond Jeffray who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.2: Resolved as an ordinary resolution that Mr Ajith Ramsarup who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.3: Resolved as an ordinary resolution that Mr Anthony Ridl who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.4: Resolved as an ordinary resolution that Mr Antonio Rossetti who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

4. Appointment of audit committee

Ordinary resolution 4.1: Resolved as an ordinary resolution that Mr Ajith Ramsarup be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

Ordinary resolution 4.2: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

Ordinary resolution 4.3: Resolved as an ordinary resolution that Mr Antonio Rossetti be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

5. Approval of insured value of property

Ordinary resolution 5: Resolved as an ordinary resolution the recommended insured value of the property, as tabled at the meeting at which this resolution was proposed, be and is hereby approved.

6. Non-executive Directors' fees

Special resolution 1: It is noted that an amount of R7,400 for non-executive Directors' fees was approved at the previous AGM for the year until 19 July 2022. It is now resolved as a special resolution that the fees remain unchanged at R7,400 (vat payable, to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors of the Company and as members of sub-committees, per meeting or cluster of meetings, in respect of the period from 21 July 2022 until the next AGM of the Company, and tabled at the meeting at which this resolution was proposed, be and is hereby approved.

The reason for and effect of this special resolution:

In terms of Section 66(8) of the South African Companies Act 71, of 2008, the Company may pay remuneration to its Directors for their service as Directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by the shareholders within the previous two (2) years. Section 66(12) requires that any particular Director appointed to more than one (1) committee of the Company, be calculated only once. Directors will be entitled to be paid attendance fees/emoluments in respect of the above period.

Subject to the provisions of the Companies Act 71, of 2008, no business shall be transacted at any AGM unless a quorum of shareholders is present at the time when the meeting proceeds to business. The quorum at any AGM shall be no less than four (4) shareholders present, holding at least five percent (5%) of the share capital and voting rights, personally or by proxy, and who are entitled to be exercised at the meeting.

In the event of a quorum not being present within half-an-hour of the appointed time for the meeting to begin, the AGM will be automatically adjourned for one (1) business day, to Thursday, 21 July 2022 and if at such adjourned meeting a quorum is not present within half-an-hour of the start time, the shareholders there present in person or by proxy shall be deemed to constitute the necessary quorum.

For an ordinary resolution to be adopted by shareholders at the AGM, it must be supported by more than fifty-percent (50%) of the voting rights in favour of such a resolution. For a special resolution to be adopted by shareholders at the meeting, it must be supported by more than sixty-percent (60%) of the voting rights in favour of such a resolution.

The record date for determining shareholder's voting rights is Monday, 11 July 2022.

Any shareholder entitled to attend and vote, is entitled to appoint a proxy to attend, vote and speak in his/her stead, and such proxy need not be a shareholder of the Company. **Forms of proxy should be forwarded to reach the registered office of the Company for the attention of the company secretary, by no later than 10h30 on Monday, 18 July 2022. A form of proxy is enclosed on page 5 for this purpose.**

**By order of the Board
Southern Sun Secretarial Services Proprietary Limited
24 May 2022**

Sabie River Share Block Proprietary Limited
 Registration Number: 1963/003920/07
 ("the Company")

Registered Office
 Palazzo Towers West
 Montecasino Boulevard
 Fourways 2055

Private Bag X200, Bryanston, 2021
 Telephone (031) 337 3341
 Facsimile (086) 765 2272
Resorts.companyservices@southernsun.com

Form of proxy for use by shareholders at the annual general meeting ("AGM") of the Company to be held on **Wednesday, 20 July 2022 at 10h30 at Southern Sun Hyde Park Hotel, 1st Road, Hyde Park, Sandton.**

Form of proxy

I/We, being the shareholder/s of ordinary shares in the Company, with right of use of Chalet, week, hereby appoint:

1., or failing him/her,
2., or failing him/her,
3. The Chairman of the AGM.

As my/our proxy to vote for me/us on my/our behalf at the AGM of the Company, to be held on the above-mentioned date and at any adjournment thereof as follows:

	In Favour Of	Against	Abstain
Ordinary resolution 1: Receipt and adoption of annual financial statements and reports - Year ended 31 December 2021			
Ordinary resolution 2: Appointment of auditors			
Ordinary resolution 3: Election of Directors			
3.1 Raymond Jeffray			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
3.4 Antonio Rossetti			
Ordinary resolution 4: Appointment of audit committee			
4.1 Ajith Ramsarup			
4.2 Anthony Ridl			
4.3 Antonio Rossetti			
Ordinary resolution 5: Insured value of property			
Special resolution 1: Non-executive Directors' fees (R7,400)			

Signed at this day of 2022.

Signature assisted by (where applicable)

Unless otherwise instructed specifically as above, the form of proxy will vote as the appointee deems fit.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives and excluding the deletion of singular/plural alternatives) must be initialled by the signatory/ies. **Documentary evidence establishing the authority of a person signing this form of proxy in an appointee/representative capacity (e.g. on behalf of a Company, Close Corporation, Body Corporate or Trust) must be attached to this form, failing which the proxy will be invalid.**

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat, to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so. Any shareholder entitled to attend and vote, is entitled to appoint a proxy to attend, vote and speak in his/her stead and such proxy need not be a shareholder of the Company.

Forms of proxy should be forwarded to reach the registered office of the Company, for the attention of the company secretary, by no later than 10h30 on Monday, 18 July 2022.

Sabie River Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2021

The Directors and management are responsible for the preparation, integrity and fair presentation of the annual financial statements of Sabie River Share Block Proprietary Limited. The annual financial statements presented on pages 13 to 22 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities and in the manner required by the South African Companies Act 71, of 2008.

The Directors and management are also responsible for maintaining the Company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors and management have the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position, financial performance and cash flows of the Company to enable the Directors to ensure that the annual financial statements comply with the relevant legislation. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at year-end.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the Company will not be a going concern in the foreseeable future.

The Company's external auditors, BDO South Africa Incorporated, audited the annual financial statements and their report is presented on pages 11 and 12.

Approval of annual financial statements

The annual financial statements set out on pages 13 to 22 were approved by the Board of Directors on 24 May 2022 and are signed by:



MN Von Aulock
Chairman



AB Ramsarup
Director (chairman - audit committee)

Declaration by the company secretary

I hereby confirm in my capacity as company secretary of Sabie River Share Block Proprietary Limited, that for the year ended 31 December 2021, the Company has filed all required returns and notices in terms of the South African Companies Act 71, of 2008, and that all such returns and notices are to the best of my knowledge and belief, true, correct and up to date.



MJ Mahloele
For Southern Sun Secretarial Services Proprietary Limited

Sabie River Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2021

The audit committee has pleasure in submitting this report, as required by Section 94 of the South African Companies Act, 71 of 2008. The audit committee is an independent statutory committee appointed by the shareholders at each annual general meeting ("AGM").

1. Members of the audit committee

The members of the audit committee comprise three non-executive Directors being Mr Ajith Ramsarup (Chairman), Mr Anthony Ridl and Mr Antonio Rossetti.

2. Frequency of meetings

The audit committee met twice during the financial year under review. Provision is made for additional meetings to be held, when and if necessary.

3. Attendance

The external auditors, in their capacity as auditors of the Company, attended and reported to the meetings of the audit committee. Relevant senior managers attended the meeting by invitation.

4. Duties of the audit committee

The work of the audit committee during the year focused on:

- 4.1 evaluating the independence and effectiveness of the external auditors, the fees and terms of engagement;
- 4.2 ensuring that the appointment of the audit firm complies with the provision of the South African Companies Act and any other legislation relating to the appointment of auditors;
- 4.3 approving of external audit and internal audit plans;
- 4.4 determining, subject to the provisions, the nature and extent of any non-audit services that the auditors may provide to the Company, or a related Company;
- 4.5 reviewing of prospective accounting standards' changes;
- 4.6 evaluating of financial reporting procedures;
- 4.7 reviewing of and recommending to the Board for approval, the annual financial statements;
- 4.8 assessing of the internal control environment, particularly in relation to the systems on internal financial controls; and
- 4.9 performing such other oversight functions as may be determined by the Board.

5. Independence of external auditors

The audit committee has satisfied itself that the external auditors are independent of the Company, as set out in Section 94(8) of the South African Companies Act 71, of 2008. Requisite assurance was provided by the auditors that internal governance processes within the audit firm support and demonstrate its claim to independence.



AB Ramsarup
Chairman
24 May 2022

Sabie River Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2021

The social and ethics committee of Sabie River Share Block ("the Committee") is a statutory committee that is governed by the South African Companies Act 71, of 2008, guided by King IV, and includes all other responsibilities allocated to it by the Board.

Composition and functioning

The committee comprises four (4) Directors, namely: RDT Jeffray, SJ Croft, JPF van Rooyen and PM Pienaar with the assistance of myself, the general manager, as Chairman. All Directors are welcome to attend committee meetings which take place twice a year. Company employees assist the committee wherever possible.

Role of the committee

The committee ensures that the Company's energy, water and waste programmes are in place; ensures good corporate citizenship; monitors employee engagement and development; and ensures that health and safety remain a focus.

Social and economic development

In collaboration with the social and ethics committee of Pine Lake Resort, the Committee aided with a much-needed refurbishment of an onsite residence at Michael's Children's Home. The home is a local safe-haven for children who have been separated from their parents. The Committee will continue the collaboration for a more impactful support.

Donations amounting to R347k of cutlery, crockery, linen, pillows, towels and blankets were sent to Soli-Deo-Gloria, who distributed the items to local old age homes, children's homes and homes for abuse victims.

As in previous years, fantastic support continued for the CANSA Shavathon and SANBS blood donation drive.

Corporate citizenship – CSI

The committee has a strong regard for corporate citizenship which highlights its social, cultural and environmental responsibility and sustainability. Local CSI initiatives are not only supported through donations of time and replaced operating equipment, but also through training and mentoring to guide the institute or facility on how to support itself and achieve sustainability.

Environmental health and public safety

The committee ensures that the resort's energy, water and waste programmes are effective and contribute towards its goal of sustainability. Continued support is given to the in-house feral cat sterilization programme and the committee is in the process of partnering with the Greater Kruger Alley Cat Initiative to sterilize the increased number of feral cats on a monthly basis.

Consideration was being given to providing each chalet with water spray bottles to discourage monkeys from entering the units.

Organisational resilience management system ("ORMS")

ORMS, implemented by Southern Sun Hotels throughout all properties, is a comprehensive management system that records and plans systems relating to fire protection, safety, security, business continuity, environmental impact, risk analysis and effects of these on the business. This management system is updated quarterly and audited by Southern Sun on an annual basis. Sabie River Sun Resort achieved a 91% result in the most recent audit.

Guest relations and correspondence

Guest satisfaction remains of utmost importance and feedback surveys are carefully managed, monitored and responded to. Alternative feedback platforms include Facebook, Tripadvisor and Google reviews. The committee is pleased to advise that the resort achieved the Tripadvisor Travellers' Choice Award.

Labour, employment and relations, training and BBBEE

The Company complies with the Labour Relations Act of South Africa. All employees are treated equally, and employee engagement is continually monitored. Employees are one of the resort's most valuable assets.

Management assists in developing, maintaining and improving employee relationships through communication, performance management, processing of grievances and/or disputes. Employees at the resort are trained and developed where possible. Online training programmes have recorded an increase in participation due to the efficiency of this medium.

Tracking of the committee

The committee is focused on ensuring that the resort's environmental program has a strong approach to energy, water and waste management. Energy and water consumption is monitored through a live system that automatically updates and advises management of any potential and/or actual wastage taking place. The system assists in tracking trends of usage of the resources and highlights the best time for optimal use and cost effectiveness. Abnormal activities that deviate from the targets set for the resort are highlighted immediately for action.

Strategic plans

Many improvement projects took place during 2021 and include: the upgrade of heat pumps; refurbishment of patio roofs and braais; replacement of patio loungers; replacement of the lightning masts; replacement of galvanised piping; the rebuild of the 7th tee box ablution facilities; and the upgrade of the sewerage system.

Administrative progress has been achieved on the second weir project and the Board has received approval on the detailed environmental impact assessment report that was submitted to government. Management and the Board are now in the process of obtaining the necessary water usage license.



MJ Bone
Chairman

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2021

The Directors present their annual report of the Company for the year ended 31 December 2021.

1 Business activity

The Company and its subsidiary owns the land and buildings known as Sabie River Resort that comprises a hotel and a chalet timesharing scheme. The chalets are utilised by the "A" and "C" shareholders on a timeshare basis with respective shareholders' time interest being apportioned through the issue of shares according to share block regulations. These regulations provide for the following:

1. Shares are issued in predefined blocks which are linked by a use agreement relating to specific units during specific weeks of the year;
2. Linked to the respective share blocks are obligations on the share block owners to make loans to the Company; and
3. Obligations on share block owners to contribute levies to enable the Company to defray its expenditure.

The "B" class shareholder has the right of use of the hotel property excluding the timesharing chalets.

The "D" class shares of the Company convey to the "D" class shareholders the right to occupy continuous ownership chalets. No continuous ownership chalets were erected during the year and no "D" class shares have been issued.

2 Financial results

The financial results of the Company are set out in the attached annual financial statements.

In accordance with the provisions of the Share Blocks Control Act, and in common with other timeshare operations in South Africa, the Company has, since its inception as a share block company, raised an annual levy making a provision for the maintenance and upkeep of the property. Asset replacement costs and additions to property, plant and equipment have been charged against this amount annually. Before providing for property, plant and equipment additions and replacements, a surplus of R21,732,573 (2020: R21,441,685) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2020: R Nil).

3 Share capital

The authorised and issued share capital has remained unchanged.

4 Insurance

The chalet and hotel buildings and their contents, dam wall and bridges are insured at current replacement values under an all-risk policy. In addition, Sasria (Riot) cover has been arranged for the sum insured. The Company does not insure personal belongings of the individual timesharers.

The Company does not guarantee the provision of alternative accommodation in the event of a disaster and does not take out insurance for this.

5 Directors and secretary

The Directors in office during the year under review and at the date of this report are:

Representing "A" and "C" class shareholders

RDT Jeffray ^

AB Ramsarup *

AN Ridl *

(Alternate MN Ridl)

AN Rossetti *

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2021

5 Directors and secretary (continued)

Representing the "B" class shareholders

PJ Boshoff

SJ Croft

DA Park

PM Pienaar ^

L Tyali ^

Resigned 30 May 2021

MN Von Aulock

Chairman

JPF van Rooyen ^

* **Audit committee members**

^ **Social and ethics committee members**

The secretary of the Company is Southern Sun Secretarial Services Proprietary Limited, whose business and postal addresses are:

Business:

Palazzo Towers West

Montecasino Boulevard

Fourways

2055

Postal:

Private Bag X200

Bryanston

2021

6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited, of which Mr PJ Boshoff is a Director.

7 Material events after year-end

The Directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or in the annual financial statements, that would affect the financial position of the Company or the results of its operations significantly.

8 Holding company

The holding company is Southern Sun Hotel Interests Proprietary Limited, a company registered in the Republic of South Africa. The ultimate holding company is Tsogo Sun Hotels Limited, a company registered in the Republic of South Africa.

9 Subsidiary

The following information relates to the Company's financial interest in its subsidiary, which did not change during the year. Sabie Golf Proprietary Limited is a property company which owns the land portions 27 and 31 of the farm "Perry's Farm" No 9, White River. Golf holes 7 - 12 are located on this land.

	No of Shares	Shares % holding	Shares at cost R
Sabie Golf Proprietary Limited	1	100%	1

The Directors are of the opinion that it would be of no real value to shareholders to prepare group annual financial statements, as the only asset of the subsidiary is a property and the subsidiary does not trade.

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

To the shareholders of Sabie River Share Block Proprietary Limited

Opinion

We have audited the financial statements of Sabie River Share Block Proprietary Limited (the company) set out on pages 13 to 22, which comprise the statement of financial position as at 31 December 2021, and the 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sabie River Share Block Proprietary Limited as at 31 December 2021, 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 of South Africa.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 "Sabie River Share Block Proprietary Limited Annual Financial Statements for the year ended 31 December 2021", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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.

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Leanne Laxson
Director

24 June 2022

5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia, 4051

Sabie River Share Block Proprietary Limited

Statement of Comprehensive Income - "A" and "C" Class Shareholders for the Year Ended 31 December 2021

	Note	2021 R	2020 R
Income		46 908 516	44 363 669
Levy income		45 511 075	43 366 464
Other income		1 397 441	997 205
Expenses		(25 907 910)	(24 399 449)
Levy surplus before interest and taxation	3	21 000 606	19 964 220
Net finance income	4	1 151 256	2 041 430
Levy surplus before taxation		22 151 862	22 005 650
Income tax expense	5	(419 289)	(563 965)
Levy surplus for the year		21 732 573	21 441 685

Statement of Comprehensive Income - "B" Class Shareholders for the year ended 31 December 2021

	2021 R	2020 R
Revenue		
Levy income	152 391	128 623
	152 391	128 623
Expenses		
Audit fees	(6 000)	(6 000)
Rates	(146 391)	(122 623)
	(152 391)	(128 623)
Levy surplus for the year	-	-

Sabie River Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2021

	Notes	2021 R	2020 R
ASSETS			
Current assets			
Trade and other receivables	6	8 074 191	8 332 380
Levies receivable	7	2 533 582	2 043 092
Fixed deposits held with bank	12	31 148 813	31 148 813
Cash and cash equivalents	13	13 709 825	5 778 122
Total current assets		55 466 411	47 302 407
Total assets		55 466 411	47 302 407
EQUITY			
Capital and reserves			
Share capital	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders	8	29 170 380	24 580 765
Total equity		29 184 306	24 594 691
LIABILITIES			
Current liabilities			
Trade and other payables	9	10 349 866	9 910 853
Levies received in advance	14	14 948 983	11 181 710
Current tax liabilities		983 256	1 615 153
Total current liabilities		26 282 105	22 707 716
Total liabilities		26 282 105	22 707 716
Total equity and liabilities		55 466 411	47 302 407

Statement of Changes in Equity for the Year Ended 31 December 2021

	Notes	2021 R	2020 R
Share capital			
131,770 - "A" Class ordinary shares of 1 cent each		1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each		11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each		638	638
Ordinary shares at beginning and at year-end	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders			
At beginning of year		24 580 765	35 776 271
Levy surplus for the year		21 732 573	21 441 685
Property, plant and equipment additions and replacements during the year	8	(17 142 958)	(32 637 191)
At year-end		29 170 380	24 580 765

Sabie River Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2021

	2021 R	2020 R
Cash flow from operating activities		
Levy surplus before taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	22 151 862	22 005 650
Adjustments for:		
Net interest received	(1 151 256)	(2 041 430)
Net surplus before working capital changes	21 000 606	19 964 220
Changes in working capital		
- Movement in levies receivable	(490 490)	(1 719 832)
- Movement in trade and other receivables	258 189	(4 284 450)
- Movement in levies received in advance	3 767 273	(634 151)
- Movement in trade and other payables	439 013	809 286
Cash flows from operating activities	24 974 591	14 135 073
Net interest received	1 151 256	2 041 430
Tax paid	(1 051 186)	-
Net cash inflow from operating activities	25 074 661	16 176 503
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(17 142 958)	(32 637 191)
Movement in fixed deposits held with bank	-	15 000 000
Net cash outflow from investing activities	(17 142 958)	(17 637 191)
Net movement in cash and cash equivalents	7 931 703	(1 460 688)
Cash and cash equivalents at beginning of year	5 778 122	7 238 810
Cash and cash equivalents at year-end	13 709 825	5 778 122

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities ("IFRS for SME's") and the South African Companies Act 71, of 2008. The annual financial statements have been prepared on the historical cost basis unless otherwise indicated in the policies set out below.

The accounting policies are consistent with previous periods.

The preparation of annual financial statements in conformity with IFRS for SME's requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements, and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current year, there were no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates were significant to the annual financial statements.

1.2 Reserve for property, plant and equipment

Normal maintenance expenditure is written-off against the statement of comprehensive income.

A reserve for capital expenditure in respect of additions and replacements of property, plant and equipment is provided. This reserve is intended to provide for the expenditure incurred. Transfers are made to and from this reserve, having regard to surpluses, if any, in the statement of comprehensive income and to amounts expended in respect of property, plant and equipment. The right of use of all property, plant and equipment is vested in the shareholders.

All proceeds on the disposal of property, plant and equipment are credited to the statement of comprehensive income.

1.3 Leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.4 Financial instruments

Fixed deposits held with bank are recognised when the Company becomes a party to the contractual provisions of the respective instrument and are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Fixed deposits held with bank are recognised initially at fair value and subsequently measured at amortised cost. Fixed deposits held with bank are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the Company has transferred substantially all risks and rewards of ownership. Interest income from these term deposits is included in finance income using the effective interest rate method.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Such provision is established when there is evidence that the Company will not be able to collect the full amount owing. The provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written off in the year during which they are identified.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Gains and losses on subsequent measurement of financial instruments are reflected in the statement of comprehensive income.

1.5 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks. These are reflected in the statement of financial position and statement of cash flow at cost.

1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

Sundry revenue is recognised when it is earned.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

1.7 Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be established.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

1.8 Equity

Ordinary shares are classified as equity.

1.9 Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial year-end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authority.

1.10 Retirement benefits

The Company participates in two defined contribution plans, the assets of which are held in a separate trustee-administered fund. The Company pays fixed contributions into a separate entity. Contributions are charged to the statement of comprehensive income in the year to which they relate. The Company has no further payment obligations once the contributions have been paid. The Pension Fund Act of South Africa governs the defined contribution plans. All permanent employees are required to belong to the defined contribution plans.

2 Financial risk management

Capital management

All costs associated with the maintenance of the resort, including the refurbishment of the property and replacement of movable property, plant and equipment, are financed out of levies from shareholders.

Financial risk factors

The financial risks to which the Company is exposed are liquidity, credit and interest rate risk.

Liquidity risk

In terms of the use agreement associated with the shares of the Company, shareholders are obliged to contribute levies sufficient to cover the costs of maintenance, upkeep, control and management of the Resort.

In order to manage the liquidity requirements of the Company, a rolling 10-year capital replacement and refurbishment plan is maintained and reviewed regularly by the Board of Directors. This plan provides for the orderly refurbishment of the property and maintenance of sufficient contingency reserves, based on increases in annual levies.

The financial instruments to which the Company is exposed represent bank balances and accounts receivable and payable in respect of the operation of the levy fund. Accounts payable are generally settled within 30 days. The carrying values of the financial instruments approximate fair value.

Credit risk

Credit risk arises from bank balances and amounts due from shareholders in respect of levies due. There is no significant concentration of credit risk on amounts due by shareholders.

The Company invests its surplus cash on deposit and on call only with the four largest South African banking institutions.

Credit risk arising from levy amounts due is managed by close monitoring of outstanding balances and prompt repossession of defaulting units through the exercise of a lien on shares, as provided in the memorandum of incorporation of the Company.

Interest rate risk

The Company is exposed to interest rate risk to the extent that interest rates on bank balances with financial institutions may vary. As a matter of practice, adverse interest rate risk is minimised by conservative budgeting.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

	2021 R	2020 R
3 Levy surplus before interest and taxation		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
- Salaries, wages and benefits	4 360 636	3 640 885
- contributions to retirement funds	-	114 473
Management fees	2 617 935	2 534 712
Audit fees	142 278	98 200
Legal and internal audit fees	26 221	19 000
Other operating expenses	18 760 840	17 992 179
	25 907 910	24 399 449
4 Net finance income		
Interest earned on fixed deposits, call deposits and current account	1 151 256	2 042 827
Interest paid	-	(1 396)
	1 151 256	2 041 431
5 Income tax expense		
Provision is made for Company taxation on the net non-levy income of the levy fund.		
No tax is payable on levy income from the shareholders in terms of Sec 10(1)e of the Income Tax Act.		
Current year	419 289	563 965
	419 289	563 965
A reconciliation of the taxation charge is not considered appropriate as share block companies are liable for taxation only on their net non-levy income.		
The holder of the "B" class shares has, in terms of the memorandum of incorporation, indemnified the holders of the "A", "C" and "D" class shares against payment of taxation which may arise on income derived from the hotel property trading operations, or on the distributable reserves of the Company. This indemnification does not apply to contributions made by the holders of the "A", "C" and "D" class shares to the levy fund or income from the investment of such contributions.		
6 Trade and other receivables		
Trade receivables	101 341	124 101
Other receivables (refer note 16)	85 202	93 475
Receiver of Revenue - Vat	778 557	756 080
Prepayments	4 832 659	1 554 993
Sabi River Sun Golf Club (refer note 16)	2 069 713	5 604 184
Interest receivable	206 719	199 547
	8 074 191	8 332 380
7 Levies receivable		
Levy debtors	1 525 178	1 981 888
Repossessed debtors	1 725 378	784 557
Provision for repossessed debtors	(716 974)	(723 353)
- Opening balance	(723 353)	(274 291)
- Movement	6 379	(449 062)
	2 533 582	2 043 092

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

	2021 R	2020 R
8 Reserve for property, plant and equipment - "A" and "C" class shareholders		
At beginning of year	24 580 765	35 776 271
Levy surplus for the year	21 732 573	21 441 685
	46 313 338	57 217 956
Property, plant and equipment additions and replacements during the year	(17 142 958)	(32 637 191)
At year-end	29 170 380	24 580 765
<p>The Directors have reviewed a forward estimate, prepared by management, of the costs of property, plant and equipment additions and replacements over the next 10 years.</p> <p>The Directors have approved capital expenditure for 2022 of R21,687,900 (2020: approved R26,395,126 for 2021) which is anticipated to decrease the reserve fund by R3,680,973 (2020: decrease by R10,378,657 in 2021). There were capital commitments made for R696,366 at year-end (2020: R nil).</p>		
9 Trade and other payables		
Trade payables (refer note 16)	85 512	-
Sundry payables (refer note 16)	495 360	265 274
Accruals (refer note 16)	1 751 536	4 278 763
Provision for auditors' fees	141 349	106 000
Southern Sun Hotel Interests Proprietary Limited (refer note 16)	7 876 109	5 254 616
Southern Sun Timesharing Proprietary Limited (refer note 16)	-	6 200
	10 349 866	9 910 853
10 Property, plant and equipment		
<p>The Company complies with the SAICA Guide on Financial Reporting for Share Block Companies with respect to the treatment of property, plant and equipment. In terms of the SAICA Guide the right of use of property, vested with the shareholders, has been offset against the loan from shareholders with the balance transferred to the reserve for property, plant and equipment.</p> <p>Land and buildings comprise the following property:</p> <ul style="list-style-type: none"> - Portion 20 of "Perry's Farm" No 9, White River, with hotel buildings thereon; - Portion 25 of "Perry's Farm" No 9, White River; - Portions 20 and 25 have been consolidated into Portion 26 of the farm "Perry's Farm"; and - Subsidiary's land consisting of Portions 27 and 31 (a consolidation of Portion 28 and 29) of the farm "Perry's Farm" No 9, White River. <p>Land and buildings were originally purchased for R19,661,853 and are not recognised. Although the Company has legal title to the property it effectively only owns the bare dominium over the property which is considered to be of no value. The property is currently valued by the Municipality at R37,208,000 for rates purposes. There are no bonds on the property.</p>		
11 Share capital		
Authorised		
Ordinary shares		
133,000 - "A" Class ordinary shares of 1 cent each	1 330	1 330
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
152,000 - "C" Class ordinary shares of 1 cent each	1 520	1 520
114,000 - "D" Class ordinary shares of 1 cent each	1 140	1 140
	15 960	15 960
Issued		
Ordinary shares		
131,770 - "A" Class ordinary shares of 1 cent each	1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each	638	638
	13 926	13 926

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

	2021 R	2020 R
11 Share capital (continued)		
Voting Rights		
The "A", "B", "C" and "D" class shares have equal voting rights.		
Dividends		
Only the "B" class shareholders have the right to dividends.		
Winding-up		
In terms of the memorandum of incorporation, should the Company be wound up and have funds remaining for distribution to shareholders, after paying all liabilities other than the loan obligation, the liquidator shall obtain a separate valuation for the land, hotel buildings and chalets.		
An amount equal to the fair value of the land will be distributed to the holder of the "B" class shares. The balance available for distribution will be distributed to the holders of the "A", "B", "C" and "D" class shares in the proportion of the values of the chalets and the hotel buildings respectively. Such distribution will be deemed to firstly discharge the shareholders loan and thereafter, a liquidation dividend.		
Unissued shares		
In terms of an option, the unissued "A", "C" and "D" class shares may be subscribed for by Southern Sun Hotel Interests Proprietary Limited prior to the development of additional chalets on the Company's property.		
12 Fixed deposits held with bank		
Fixed deposits held with bank	31 148 813	31 148 813
13 Cash and cash equivalents		
Bank balances	13 709 825	5 778 122
14 Levies received in advance		
Levies received in advance	14 948 983	11 181 710
Shareholders are billed 12 months in advance and this represents levies received in advance (for the future year) that have been received at the end of the financial year.		
15 Capital commitments		
The Company is responsible for a portion of the annual subscriptions of the Sabi River Sun Golf Club and during the year contributed R2,937,965 (2020 : R2,315,756). This expense is reflected under Estate Maintenance in the "A" and "C" class shareholders' statement of comprehensive income.		
16 Related party transactions		
The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSHI"). The Company is charged the following fees in terms of the management agreement:		
Short-term rentals	43 690	22 795
Rental pool	87 737	40 614
Management fee	2 617 935	2 534 712
Central accounting and levy collection fees	243 112	249 779

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

	2021 R	2020 R
16 Related party transactions (continued)		
Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. On behalf of the Company, SST provides a rental service and recovers levies from the sale and rental of timeshare weeks. During the financial year the Company received the following fee in terms of the management agreement:		
Commission on resale and rental of weeks - SST	(45 640)	(30 240)
Balance owing to SST (refer note 9)	-	(6 200)
Share Registry Management Services Proprietary Limited ("SRMS") provides an exclusive transfer of shares service to shareholders. During the financial year, the Company (received)/paid the following fees in terms of the management agreement:		
Commission on transfer of ownership - SRMS	(36 596)	(24 815)
Secretarial fees on repossessed debtors and use agreement fees - SRMS	37 878	28 757
During the financial year the Company paid the following fees to SunSwop (a division of SSHI), which is affiliated to RCI:		
- Fees for points on weeks affected by Covid-19	-	3 543 266
	-	3 543 266
During the financial year the Company paid the following SSHI internal charges:		
- Administration - Information technology	335 550	269 955
Most expenses of the Company are paid by Sabi River Sun Hotel, a division of SSHI, and reimbursed by the Company.		
In addition, certain costs are incurred by SSHI in terms of contracts negotiated on behalf of members of the Southern Sun group, including the Company. These costs, which include insurance and certain maintenance and operating lease contracts, are recovered from the Company via Sabi River Sun Hotel.		
Due (to)/by SSHI and its subsidiaries:		
- included in trade payables (refer note 9)	(85 512)	-
- included in sundry payables (refer note 9)	(19 940)	(140)
- included in accruals (refer note 9)	(193 992)	(3 652 946)
- owing to Southern Sun Hotel Interests Proprietary Limited (refer note 9)	(7 876 108)	(5 254 615)
- included in other receivables (refer note 6)	20 585	17 534
	(8 154 967)	(8 890 167)
Sabi River Sun Golf Club, related through common directorship, was paid annual subscriptions by the Company as follows:		
- Subscriptions	2 937 965	2 315 756
Due (to)/by Sabi River Sun Golf Club:		
- included in other receivables (refer note 6)	2 069 713	5 604 184
Balances due (to)/by the following entities, related through common directorship, as follows:		
Drakensberg Sun Chalets Share Block Proprietary Limited:		
- included in other receivables (refer note 6)	1 018	1 018

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2021

16 Related party transactions (continued)

The following entities, related through common directorship, own units in the Company as follows:

	Number of units	Levies paid R	Levies received in advance R
2021 - shareholding			
MN von Aulock - SunSwop (a division of SSHI)	9	82 710	19 280
AB Ramsarup - The Leisure Holiday Club	91	836 290	404 880
AN Ridl - Club Leisure Group	166	1 608 320	767 380
2020 - shareholding			
MN von Aulock - SunSwop (a division of SSHI)	9	82 800	18 380
AB Ramsarup - The Leisure Holiday Club	91	837 200	238 940
AN Ridl - Club Leisure Group	166	1 587 920	674 580

17 Directors' emoluments

Non-executive Directors have been remunerated an agreed upon fee per meeting attended for their services to the Company. In addition, all Directors are reimbursed for costs incurred whilst performing the Company's business. Further, all Directors are insured for medical costs and personal accident. All Directors are also covered by insurance taken out by the Company as indemnification against all liability of any Director towards the Company in respect of any negligence, default, breach of duty or breach of trust. All costs relating to Messrs Fuller, Whiteboy, Pienaar, Tyali, von Aulock, Park, Boshoff, van Rooyen and Ms Croft are borne by Southern Sun.

	2021 R	2020 R
Directors' emoluments paid for the year:		
RDT Jeffray	29 600	37 000
AN Rossetti	29 600	37 000
JPF van Rooyen	22 200	-
	81 400	74 000

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2021

	2021 R	2020 R
INCOME		
Levies	45 511 075	43 366 464
Rental pool	95 746	26 761
Short-term rentals	379 528	359 037
Sale of capital assets	489 296	169 409
Sundry income		
- telephone, rentals, penalties, etc.	432 871	441 998
	46 908 516	44 363 669
EXPENDITURE		
Rooms expenses		
Cleaning supplies	137 398	62 391
Covid-19 supplies	10 425	-
Guest entertainment - DSTV, videos, cocktails, games and prizes	348 067	235 164
Guest supplies	120 444	77 312
Laundry	660 073	415 756
Personnel costs - outside services	3 379 983	1 618 925
Pest control	81 150	75 177
Printing and stationery	118 674	86 523
Replacement of cutlery, crockery, linen, towels, uniforms, etc.	451 730	795 737
Security services	2 436 384	2 375 628
	7 744 328	5 742 613
Administration and general		
Auditors' remuneration		
- current year	141 349	106 000
- prior year overprovision	-	(7 800)
- expenses	929	-
Bad debts	-	1 763
Bank charges	19 891	19 819
Central accounting and levy collection fees	243 112	249 779
Corporate social initiatives	32 500	-
Credit card commission	158 412	141 026
Directors' emoluments	81 400	74 000
Information technology costs	519 846	518 740
Insurance		
- premiums	373 319	489 330
- excess	8 500	-
Internal audit fees	-	19 000
Licences and permits	87 715	50 251
Legal fees	26 221	-
Loss on repossessed debtors	69 421	35 416
Marketing	42 763	-
Postage	4 732	7 752
Provision for repossessed debtors	(6 379)	449 062
Railage, cartage and hire transport	797	40 352
Subscriptions	59 777	64 343
SunSwop exchange service	-	3 543 266
Telephone	5 811	4 337
Travel - management and Directors	44 404	27 016
Vehicles - fuel and oil	110 971	85 724
	2 025 491	5 919 176

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2021

	2021 R	2020 R
Electricity, water and refuse		
Electric bulbs	134 202	59 525
Electricity	1 689 269	1 151 459
Generator fuel	109 203	71 549
Sewerage	32 530	-
Water	48 383	21 618
	2 013 587	1 304 151
Repairs and maintenance		
Airconditioning	130 868	66 599
Buildings	170 826	114 388
Electrical and mechanical	356 981	121 668
Tools	7 936	6 320
Fire equipment	66 198	62 235
Furniture and fixtures	26 056	17 341
Major repairs and maintenance	170 213	361 926
Painting and redecorating	17 393	25 194
Plumbing and heating	234 013	112 920
Radio and TV	97 359	68 358
Room care	4 678	-
Swimming pool cleaning and repairs	105 671	109 594
Security fence	13 354	33 799
Vehicles	39 092	20 374
	1 440 638	1 120 716
Estate maintenance		
Gardens and grounds	2 147 216	1 319 334
Subscriptions - Sabi River Sun Golf Club	2 937 965	2 315 756
	5 085 181	3 635 090
Capital charges		
Annual report and statutory costs	164 457	46 356
Furniture and equipment leases	181 535	128 761
Municipal rates and taxes	274 122	212 516
	620 114	387 633
Personnel costs		
Rooms	1 548 059	1 270 132
Administration and general	1 583 797	1 581 023
Repairs and maintenance	1 228 780	904 203
	4 360 636	3 755 358
Management fee	2 617 935	2 534 712
Total expenditure	25 907 910	24 399 449
Excess of income over expenditure before finance income and taxation	21 000 606	19 964 220
Net finance income		
Net interest received	1 151 256	2 041 430
Excess of income over expenditure before taxation	22 151 862	22 005 650
Taxation	419 289	563 965
Excess of income over expenditure after taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	21 732 573	21 441 685

Sabie River Share Block Proprietary Limited

Minutes of the Annual General Meeting of Shareholders for the Year Ended 31 December 2020, held on Tuesday, 31 August 2021 at 09h30, at Sabie River Sun Resort, Hazyview

1 WELCOME AND PREAMBLE

The Chairman of the Company, Mr Marcel von Aulock representing the "B" class shareholders, welcomed all shareholders present at the meeting. The Chairman advised that the meeting had been convened in terms of the notice of annual general meeting ("AGM"), dated 17 June 2021.

The Chairman introduced his fellow Directors, Ms Samantha Croft and Messrs. Peter Pienaar, Darren Park and Johannes van Rooyen representing the "B" class shareholders, as well as the non-executive Directors, Messrs. Raymond Jeffray, Anthony Ridl and Antonio Rossetti representing the "A" and "C" class shareholders. Apologies were tendered on behalf of Mr Jaco Boshoff and Mr Ajith Ramsarup. Members of the management team and company secretariat team were duly welcomed.

2 QUORUM

The required quorum being present, being at least three shareholders present and holding at least 5% of the share capital inclusive of the "B" class shareholding, the Chairman declared the meeting duly constituted.

3 NOTICE OF MEETING

All shareholders present consenting, the notice of Meeting dated 17 June 2021 was taken as read.

4 VOTING

The Chairman informed the meeting that voting on the resolutions would normally be conducted by means of a show of hands. However, he proposed that all resolutions be taken as read and enquired if there were any objections to this approach. Accordingly, this was agreed by the meeting. He proceeded to highlight each ordinary resolution and the special resolution and enquired whether there were any queries. There being no comments recorded, it was unanimously RESOLVED that the following resolutions be approved:

5 ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

ORDINARY RESOLUTION 1

Ordinary resolution 1, as set out in the notice convening the meeting, relating to the receipt and adoption of the Annual Financial Statements and accompanying reports contained in the annual report of the Company for the financial year ended 31 December 2020, was taken as read. No questions or comments were recorded.

It was unanimously RESOLVED that the Annual Financial Statements for the year ended 31 December 2020 be and are hereby approved and adopted.

6 APPOINTMENT OF AUDITORS - BDO Incorporated ("BDO")

ORDINARY RESOLUTION 2

Ordinary resolution 2, as set out in the notice convening the meeting, relating to the appointment of BDO South Africa Incorporated ("BDO") as the independent auditors of the Company until the conclusion of the next AGM of the Company was taken as read.

It was unanimously RESOLVED that BDO be and is hereby appointed as the independent auditors of the Company.

7 DIRECTORS

In terms of the Company's memorandum of incorporation ("MOI"), the Board is limited to thirteen (13) Directors. The "A" and "C" class shareholders together, being entitled to appoint four (4) Directors, the "D" class shareholders being entitled to appoint two (2) Directors and the "B" class shareholders being entitled to appoint the remaining Directors. The "D" class shares had not been issued. The Directors who retired at this meeting, representing the "A" and "C" class shareholders, but being eligible, were available for re-election. No additional nominations had been received.

7.1 ORDINARY RESOLUTION 3.1

Ordinary resolution 3.1, as set out in the notice convening the meeting, relating to the re-election of Mr Raymond Jeffray as a Director, was taken as read.

It was unanimously RESOLVED that Mr Raymond Jeffray be and is hereby re-elected as a Director of the Company.

Sabie River Share Block Proprietary Limited

7.2 ORDINARY RESOLUTION 3.2

Ordinary resolution 3.2, as set out in the notice convening the meeting, relating to the re-election of Mr Ajith Ramsarup as a Director, was taken as read.

It was unanimously RESOLVED that Mr Ajith Ramsarup be and is hereby re-elected as a Director of the Company.

7.3 ORDINARY RESOLUTION 3.3

Ordinary resolution 3.3, as set out in the notice convening the meeting, relating to the re-election of Mr Anthony Ridl as a Director, was taken as read.

It was unanimously RESOLVED that Mr Anthony Ridl be and is hereby re-elected as a Director of the Company.

7.4 ORDINARY RESOLUTION 3.4

Ordinary resolution 3.4, as set out in the notice convening the meeting, relating to the re-election of Mr Antonio Rossetti as a Director, was taken as read.

It was unanimously RESOLVED that Mr Antonio Rossetti be and is hereby re-elected as a Director of the Company.

8 APPOINTMENT OF AUDIT COMMITTEE

In terms of the Company's MOI, the Company was required at each AGM to elect an audit committee, comprising at least three (3) members.

8.1 ORDINARY RESOLUTION 4.1

Ordinary resolution 4.1, as set out in the notice convening the meeting, relating to the election of Mr Ajith Ramsarup as a member of the Company's audit committee, was taken as read.

It was unanimously RESOLVED that Mr Ajith Ramsarup be and is hereby elected as a member of the Company's audit committee.

8.2 ORDINARY RESOLUTION 4.2

Ordinary resolution 4.2, as set out in the notice convening the meeting, relating to the election of Mr Anthony Ridl as a member of the Company's audit committee, was taken as read.

It was unanimously RESOLVED that Mr Anthony Ridl be and is hereby elected as a member of the Company's Audit Committee.

8.3 ORDINARY RESOLUTION 4.3

Ordinary resolution 4.3, as set out in the notice convening the meeting, relating to the election of Mr Antonio Rossetti as a member of the Company's audit committee, was taken as read.

It was unanimously RESOLVED that Mr Antonio Rossetti be and is hereby elected as a member of the Company's audit committee.

9 INSURED VALUE OF PROPERTY

ORDINARY RESOLUTION 5

As recommended by independent quantity surveyors, Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property amounted to R350,276,969. Buildings were valued at R304,820,441 and furniture, fittings and equipment were valued at R45,456,528. This excluded the land and golf course.

Sabie River Share Block Proprietary Limited

10 NON-EXECUTIVE DIRECTORS' FEES

SPECIAL RESOLUTION 1

Special resolution 1, as set out in the notice convening the meeting, relating to the approval of the fees payable to non-executive Directors for their services as a Director.

It was unanimously RESOLVED that in terms of the provisions of section 66(9) of the Companies Act 71 of 2008, that R7,400 (Vat payable, to the extent applicable to this remuneration), payable to the non-executive Directors of the Company for their services as Directors and/or members of the sub-committees, or cluster of meetings, in respect of the period from 1 September 2021 until the next AGM of the Company, be and is hereby approved.

11 OTHER BUSINESS

11.1 GENERAL MANAGER'S PRESENTATION AND REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The Chairman invited Mr Malcolm Bone to present his report to the meeting. Mr Bone began his presentation by commenting on the adverse impact of restrictive lockdown regulations on the Timeshare industry. In compliance with COVID-19 protocols, the Company implemented policies and procedures for entering and checking-in to the resort.

Mr Bone proudly presented an overview of the following achievements during the very challenging 2020 year:

- Great occupancy results since 21 August 2020;
- Google rating: 92.8%;
- RCI Gold Crown status and score of 4.55 out of 5;
- Organisational Resilience Management Services ("ORMS") results: 93%;
- Corporate Social Investment ("CSI"): Cansa Shavathon event raised R10k for the foundation;
- Completion of the beneficial golf course improvements project;
- Progress of the major Chalet patio roof and waterproofing refurbishment; and
- Sterilization programme of the onsite feral cats.

11.2 SHAREHOLDERS' COMMENTS

A number of comments and queries were raised by various shareholders in attendance and were addressed by management and the Board.

Mr Bone thanked each shareholder for their input. He had tremendous pleasure in managing the resort and encouraged any feedback from guests and shareholders.

12 CLOSURE

There being no further business to discuss, the Chairman thanked all for their attendance and declared the meeting closed at 09h57.



Chairman

9 November 2021

Date

