

# Umhlanga Sands Share Block Proprietary Limited

Registration No. 1972/003573/07

## Annual Report

for the year ended 31 December 2024

**Umhlanga Sands Share Block Proprietary Limited**  
**Annual Financial Statements**  
for the year ended 31 December 2024

**COMPANY INFORMATION**

Registration number:	1972/003573/07
Registered address:	Nelson Mandela Square 4th Floor, South Tower Corner 5th and Maude Streets Sandton 2196
Postal address:	Private Bag X200 Bryanston 2021

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The 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 Umhlanga Sands Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

# Umhlanga Sands Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2024

On behalf of the Board of Directors, it is my privilege to report on the progress and achievements of Umhlanga Sands Share Block ("the Company") for the 2024 year.

The past year reflects a period of significant progress, critical safety enhancements, and continued improvements across the resort. Our commitment to maintaining high standards, both in terms of infrastructure and guest experience has remained unwavering, and I am pleased to report on several key developments over this period.

The uMhlanga Sands Resort is well managed and maintained by our professional, hospitable, and highly energised team of staff members. For the past 5-years, the management team has been lead and guided by the very capable Mr Antony Larsen, as General Manager and I take this opportunity to thank him for his excellent guidance, management and success on the many projects completed at the resort during his appointment. For those who are unaware, Mr Larsen transferred to Cabana Beach Resort as its General Manager and was replaced by Mr Pranesh Sukhdeo on 1 October 2024. Mr Sukhdeo understands the resort well given that he served as our Deputy General Manager for many years and has rejoined us from Drakensberg Sun Resort. The Board and management team are very pleased to welcome him back and we are confident that he will continue the extremely well-run operations and share his wealth of experience.

## Resort projects

One of the more substantial milestones has been the successful completion of the spalling project that began in 2021. It was an essential structural initiative addressing the deterioration of concrete surfaces around the property. The building subsequently passed its inspection, and I am pleased that this marks a vital achievement in preserving the safety and longevity of the property.

Equally important is the commencement of critical upgrades in response to revised fire safety regulations. These works are now underway and represent a comprehensive programme aimed at ensuring full compliance and reinforcing the safety of all resort occupants. The project will include the replacement of all smoke doors in guest corridors with certified fire-rated doors, along with the upgrading of doors in all back-of-house areas. Plans also include the creation of refuse areas in designated passageways, equipped with openable windows to assist with smoke extraction during emergencies. Furthermore, the pressurisation of lift shafts and stairwells, the installation of a smoke extraction system on the first floor, and an upgrade to the water supply pressure to improve hydrant performance, will form part of the broader safety enhancements.

Completion of these important works is expected in 2025.

As part of ongoing maintenance and infrastructure improvements, the waterproofing of the open carpark above the Xscape facility was recently completed to resolve rainwater leaks affecting the play area, offices, and storerooms below. This effective intervention has safeguarded the facility during heavy rains.

Beyond these vital safety enhancements, several amenity upgrades were completed to enhance guest comfort and enjoyment. The volleyball court seating was refurbished, the lookout deck at the family pool was renewed, and pool equipment stock was increased to better handle periods of high occupancy. Hot water storage tanks were re-lined, ensuring the reliable provision of hot water throughout the resort.

The resort's entertainment and leisure facilities remains the most compelling attraction, particularly for families with children spanning all age groups from toddlers to teenagers. At the heart of this offering is Xscape, a dedicated space that caters to younger guests with soft play areas, movies, video games, and a variety of arts and crafts activities, ensuring a fun, safe, and engaging environment. For adult guests, our popular Coco's Bar and Lounge continues to be a vibrant hub for evening entertainment. Whether enjoying a live performance over an after-dinner drink or joining in the fun of family bingo or karaoke, guests are invited to relax and participate at their leisure. The resort takes great pride in its extensive and inclusive entertainment programme, that is thoughtfully designed to create memorable experiences for all ages and interests.

## Resort Update

The gardens and grounds of the resort continue to be a standout feature, thanks to the dedication and skill of our landscaping team. Their hard work and attention to detail ensures that the outdoor areas remain beautiful, welcoming, and are in harmony with our coastal surroundings.

Safety and cleanliness beyond the resort boundaries also remain a priority. We continue to work closely with the uMhlanga Promenade Urban Improvement Precinct ("uMhlanga UIP"), with active staff participation and representation on its Board. Through this partnership, we support and benefit from the UIP's provision of 24-hour security patrols, as well as cleaning and greening services in the surrounding area and along the promenade. As a result, the roads leading to uMhlanga Village remain clean and secure, offering guests a safe and pleasant route to local attractions including malls,

# Umhlanga Sands Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2024

shops, and restaurants. The promenade itself provides a scenic and safe space for walks, jogs, and leisurely outings.

We place great value on guest feedback and closely monitor responses received via a variety of channels. It is encouraging to report that guest satisfaction remains high, with positive feedback regularly received through Google Reviews, Tripadvisor and RCI platforms. This reflects the dedication of our staff and management to delivering a consistently high standard of service and hospitality.

It is with pride that I confirm the resort's continued achievement of the RCI Gold Crown status, along with the retention of its 4-Star Tourism Grade rating, both important markers for quality and consistency in our industry.

## Financial results for the year ended 31 December 2024

The statement of comprehensive income as set out on page 14 of the annual financial statements reflects the income and expenditure of the Company in a summarised format. The detailed levy fund operating statement is not audited and is presented as supplementary information on pages 25 to 26.

Total income for the year ended 31 December 2024 (including net finance income) was R113.6m (2023: R104.4m) with expenditure of R77.7m (2023: R71.7m) and a levy surplus after taxation of R32.8m (2023: R30.3m), that is transferred to the reserve for property, plant and equipment.

### Income

Total income, including net finance income, increased by 8.8% year-on-year. The detailed levy fund operating statement records an increase in rental pool income of 66%, an increase in short-term rental income of 42% and a decrease in non-levy income of 5.3%. Non-levy income included rental from commercial tenants and income from parking. Interest received increased by R2.4m due to an increase in invested cash, due to the timing of capital expenditure.

Shareholders wishing to place their weeks in the rental pool system must please notify us in writing at least 90-days prior to the commencement of their timeshare week. Any outstanding levy amount must first be settled in full.

### Expenditure

Total expenditure for the year increased by 8.4% to R77.7m (2023: R71.7m).

- **Rooms** expenditure increased by 7.9% due to increases in guest supplies 19.4% and in guest entertainment and DSTV 9.7%;
- **Administration and general** expenditure increased by 13.9%. Much of the year-on-year increase related to the increase of R897k in the provision for repossessed debtors. IT costs increased by 18%. Professional fees of R350k were incurred and related to the upgrade of the resort's fire safety measures to ensure compliance with the latest national standards as well as to the boundary encroachment application;
- **Electricity, water, and refuse** expenditure increased by 9.9% mainly due to municipal water costs increasing by R1.2m from reduced levels of supply from the borehole;
- **Repairs and maintenance** expenditure increased by 2.1% mainly due to the installation of new televisions;
- **Corporate charges** increased by 7.4% mainly due to increased municipal rates and taxes; and
- **Management fees** increased by 4.5%. The fee escalates annually by CPI and rental income received from the outsourced restaurant tenants is offset against this fee.

### Statement of financial position

The statement of financial position on page 15 together with the notes related thereto reflects the financial position of the Company. The reserve for property, plant and equipment increased to R117.9m (2023: R93.4m) and fixed deposits held with bank increased to R146.5m (2023: R120m). Cash and cash equivalents increased to R5.9m (2023: R3.1m). Levies receivable increased to R2.4m (2023: R2.3m) while levies received in advance increased to R29.5m (2023: R25.4m).

### Capital expenditure

Capital expenditure amounted to R8.3m (2023: R16m). Major items of expenditure included:

	R
• Spalling	1,632,256
• Fire rationale	1,431,136
• Waterproofing	1,174,530
• Swimming pool deck	703,297
• Paraplegic facility	534,795
• Televisions	490,734

# Umhlanga Sands Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2024

## Levy budget

As always, the Board examines each item of expenditure on a line-by-line basis and has been satisfied that management made every effort to ensure that cost increases were as minimal as possible, without affecting the standards and facilities enjoyed by all Shareholders and guests at our resort. Levies for the following year will be approved in August and will be communicated to all Shareholders in due course.

## Vacation ownership association of South Africa ("VOASA")

For new Shareholders and as a reminder to all, 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 commits to ongoing growth within the timeshare industry, in a positive and organised manner. Our Company remains a member of VOASA.

## Legal matter: Municipal rates objection

The legal objection to the eThekweni Municipality's reclassification and change to the category rating of uMhlanga Sands Resort is ongoing. The municipality imposed a category change a few years ago and the change took the property from a residential category status to a commercial category status, thereby greatly impacting the property with much higher municipal rates charges being imposed. Many years on and in collaboration with other similar properties in the area, the Board eagerly awaits a court date to resolve the misconception of our property's offering.

## Special thanks

I thank all guests who use the dedicated smokers' room located to the left of the Spur restaurant and all guests and visitors who abide by our house rules whilst on the property. As mandated by the Board, management continues its efforts in managing the few guests and visitors who disregard our house rules.

You can be rest assured that the uMhlanga Sands Resort is well-managed by the Southern Sun Group management team and its supporting team of staff members. The Board maintains a healthy and productive working relationship with the management team and I would like to thank all staff members who go the extra mile for us and for all guests, and for their commitment in maintaining the high standards expected of them and our resort. Their reliability, willingness and enthusiasm ensures a memorable guest experience.

I extend special appreciation to my fellow Directors Messrs. Ajith Ramsarup, Nicholas Dickson, Mzwandile ("Al") Zoya, Dr Mahomed Mia and Ms Louise McMillan, and to the management team, for their time, energy, professionalism and guidance over this past year.

## Conclusion

I wish every Shareholder a prosperous year ahead and invite you all to attend our annual general meeting. Should you find yourself unable to attend, please complete and return the form of proxy enclosed in this annual report on page 5.



A handwritten signature in black ink, appearing to read 'AN Ridl'.

**AN Ridl**  
Chairman

**Umhlanga Sands Share Block  
Proprietary Limited**  
Registration Number: 1972/003573/07  
("the Company")

Registered Office:  
Nelson Mandela Square  
4th Floor, South Tower  
Cnr 5th and Maude Streets  
Sandton 2196

Private Bag X200, Bryanston, 2021  
Telephone (031) 337 3341  
Facsimile (086) 765 2272  
**Resorts.companysecretarialservices@southern.sun.com**

Notice is hereby given to the Shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Thursday, 14 August 2025 at 10h00 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga** 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. Presentation of annual financial statements of the Company including reports of the Directors, independent auditors, Audit Committee and Social and Ethics Committee for the year ended 31 December 2024**

The audited financial statements of the Company together with the reports of the Directors, Audit Committee and independent auditors for the financial year ended 31 December 2024 as required in terms of Section 30(3)(d) of the Companies Act, are hereby presented to Shareholders as required in terms of Section 61(8)(a) of the Companies Act. The Social and Ethics Committee report is also included in the annual financial statements and is presented to Shareholders for information purposes.

**2. Appointment of auditors**

Ordinary resolution 1: Resolved as an ordinary resolution upon the recommendation of the Board of Directors that BDO South Africa Incorporated ("BDO") be and are hereby re-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 no less than four and no more than seven Directors in number. Directors shall retire at each AGM and be eligible for re-election. **It would facilitate secretarial procedures if nominations for the appointment of those Directors representing the Shareholders be received by no later than 10h00 on Tuesday, 12 August 2025 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 2.1: Resolved as an ordinary resolution that Mr Nicholas Dickson 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 2.2: Resolved as an ordinary resolution that Ms Louise McMillan 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 2.3: Resolved as an ordinary resolution that Dr Mahomed Mia 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 2.4: 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 2.5: 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; and  
Ordinary resolution 2.6: Resolved as an ordinary resolution that Mr Mzwandile Zoya 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 3.1: Resolved as an ordinary resolution that Mr Nicholas Dickson be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI;  
Ordinary resolution 3.2: Resolved as an ordinary resolution that Mr Ajith Ramsarup be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI; and  
Ordinary resolution 3.3: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby appointed 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 4: 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: ***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 years. Section 66(12) requires that any particular Director appointed to more than one Committee of the Company, be calculated only once. Directors will be entitled to be paid attendance fees/emoluments in respect of the above period.

It is noted that an amount of R8,400 for non-executive Directors' fees was approved at the previous AGM for the year until 14 August 2025. Resolved as a special resolution that the increased fees of R9,000 (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 15 August 2025 until the next AGM of the Company, and tabled at the meeting at which this resolution was proposed, be and is hereby approved.

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 three 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 business day, to Friday, 15 August 2025 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 Shareholders' voting rights is Thursday, 7 August 2025.**

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 10h00 on Tuesday, 12 August 2025. A form of proxy is enclosed on page 5 for this purpose.**

By order of the Board  
Southern Sun Secretarial Services Proprietary Limited  
8 May 2025

**uMhlanga Sands Share Block  
Proprietary Limited**  
Registration Number: 1972/003573/07  
("the Company")

Registered Office:  
Nelson Mandela Square  
4th Floor, South Tower  
Cnr 5th and Maude Streets  
Sandton 2196

Private Bag X200, Bryanston, 2021  
Telephone (031) 366 7061  
Facsimile (086) 765 2272  
**Resorts.companysecretarialservices@southernsun.com**

Form of proxy for use by Shareholders at the Annual General Meeting ("AGM") of the Company to be held on **Thursday, 14 August 2025 at 10h00 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga.**

#### Form of proxy

I/We ....., being the Shareholder/s of ..... ordinary shares in the  
Company, with right of use of unit ....., 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
<b>Ordinary Resolution 1:</b> Appointment of auditors			
<b>Ordinary Resolution 2:</b> Election of Directors			
2.1 Nicholas Dickson			
2.2 Louise McMillan			
2.3 Mahomed Mia			
2.4 Ajith Ramsarup			
2.5 Anthony Ridl			
2.6 Mzwandile Zoya			
<b>Ordinary Resolution 3:</b> Appointment of Audit Committee			
3.1 Nicholas Dickson			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
<b>Ordinary resolution 4:</b> Insured value of property			
<b>Special Resolution 1:</b> Non-executive Directors' fees (R9,000)			

Signed at ..... this ..... day of ..... 2025.

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 10h00 on Tuesday, 12 August 2025.**

# Umhlanga Sands Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2024

The Directors and management are responsible for the preparation, integrity and fair presentation of the annual financial statements of Umhlanga Sands Share Block Proprietary Limited. The annual financial statements presented on pages 14 to 24 have been prepared in accordance with the IFRS for SMEs Accounting Standard 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 financial statements and their report is presented on pages 12 and 13.

## Approval of annual financial statements

The annual financial statements set out on pages 14 to 24 were approved by the Directors on 8 May 2025 and are signed by:



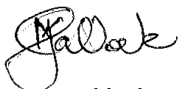
**AN Ridl**  
Chairman



**RN Dickson**  
Director (Chairman - Audit Committee)

## Declaration by the Company Secretary

I hereby confirm in my capacity as Company Secretary of Umhlanga Sands Share Block Proprietary Limited, that for the year ended 31 December 2024, 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

# Umhlanga Sands Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2024

The Audit Committee has pleasure in submitting this report as required by Section 94 of the South African Companies Act 71, of 2008 ("Companies Act"). 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 Nicholas Dickson (Chairman), Mr Ajith Ramsarup and Mr Anthony Ridl.

## 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 to the Company, attend and report to the meetings of the Audit Committee. Relevant senior managers attend the meetings by invitation.

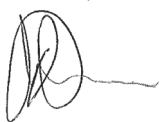
## 4. Duties of the Audit Committee

The work of the Audit Committee during the year focusses 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 Companies Act and any other legislation relating to the appointment of auditors;
- 4.3 approving external 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;
- 4.5 reviewing prospective accounting standards' changes;
- 4.6 evaluating financial reporting procedures;
- 4.7 reviewing and recommending to the Board for approval, the annual financial statements;
- 4.8 assessing the internal control environment, particularly in relation to the system 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 is satisfied that the external auditors are independent of the Company as set out in Section 94(8) of the Companies Act and that requisite assurance is provided by the auditors that internal governance processes within the audit firm both support and demonstrate its claim to independence.



**RN Dickson**  
Chairman  
8 May 2025

# Umhlanga Sands Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2024

The Social and Ethics committee ("the Committee") of Umhlanga Sands Share Block is a statutory committee that is governed by the South African Companies Act 71, of 2008, guided by King IV and includes any other responsibilities allocated to it by the Board.

## Composition and functioning

The Committee currently comprises three Directors namely myself Ms Louise McMillan (Chairman), Mr Mzwandile ("AL") Zoya and Dr Mahomed Mia. The management team of the resort provide operational support. The Committee holds comprehensive meetings twice a year.

## Role of the committee

The Committee ensures that the resorts' corporate social investment ("CSI"), energy, water and waste management programmes are in place. It also ensures good corporate citizenship, monitors employee engagement and development, and ensures that health and public safety remains a key focus.

## Corporate citizenship – CSI sustainability

The Committee has a strong regard for corporate citizenship that highlights its social, cultural and environmental responsibility as well as sustainability. Local CSI initiatives are not only supported through donations of time and written-off operating equipment, but also through training and guidance to assist the organisations and initiatives to better sustain themselves.

## Social and economic development

The Committee assists its local community through various initiatives and outreach programmes. The 2024 year enabled the Committee and staff to actively participate more in social responsibilities and engage with various communities where a positive influence could be made. Umhlanga Sands Resort actively contributes to the maintenance and upkeep of the promenade, beaches and security through the Umhlanga Urban Improvement Precinct ("uMhlanga UIP"). Regular meetings are hosted and the resort, along with Cabana Beach Resort and Beverly Hills Hotel, are represented on the uMhlanga UIP board.

To support and empower impoverished children, the elderly, and communities in need: Jump Youth Mission, Shalom Nest Christian Home, Hands of Heart, Chic Mamas, Bethel International Church and St Martins Orphanage received donations of operating equipment including written-off linen, blankets, and swimming pool towels.

Staff and guests participated in regular beach clean-up events, Earth Hour, World Water Day, Mandela Day (supporting Rise Against Hunger), Flip Flop Friday and the annual Cansa Shavathon event. The resort collaborated with Reach for a Dream and hosted an "Amazing Race" for 25 children.

## Environmental health and public safety

The Committee ensures that the resort's energy, water and waste programmes are effective and contribute towards its sustainable goals. The resort has recorded savings in both water and electricity consumption and recorded reduced financial implications mainly through improved management and influence on routine processes, use of equipment, and through constant monitoring of the live tracking system. Deviation from the set targets are investigated immediately.

Many energy-saving initiatives are already in place with the most recent addition of converting external lights to solar lights. Challenges experienced with the borehole system have been resolved. The supply of borehole water is monitored closely by management and the service provider to ensure the best yield and the supply of the highest quality water. Many other cost savings initiatives are in place such as the installation of the grey water reservoirs that are used to irrigate the gardens and wash waste bins, vehicles and so on.

The waste management programme at the resort is managed by Don't Waste Services through a live online system. With waste separation and recycling being of key importance, guests and staff are continuously reminded and encouraged to follow better environmental practices and contribute positively to the recycling process.

## Organisational resilience management system ("ORMS")

ORMS, implemented by the Southern Sun Group throughout all its properties, is a comprehensive management system that records, plans and implements systems relating to fire protection, safety, security, business continuity, environmental impact, risk analysis and the effects on the business. The management system is updated quarterly and is audited by the risk department of Southern Sun on an annual basis. I am pleased to report that the resort continues to excel in this area.

An internal crisis call centre is available to all staff within the Southern Sun Group for immediate assistance should a staff member and/or guest experience an emergency during their stay.

## Guest relations and correspondence

The Committee and management team places great value on guest feedback and closely monitors responses received via a variety of channels. It is encouraging to report that guest satisfaction remains high, with positive feedback regularly received through Google Reviews, Tripadvisor and RCI platforms. This reflects the dedication of the staff and management team in delivering a consistently high standard of service and hospitality.

I proudly confirm that the resort again achieved RCI Gold Crown status and retained its 4-Star Tourism Grade rating, both being important markers for quality and consistency in our industry.

# Umhlanga Sands Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2024

## Labour, employment relations, training and BBBEE

The resort complies with the Labour Relations Act of South Africa. Employee engagement is carefully monitored, and the management team assists in developing, maintaining and improving employee relationships through communication, performance management, and processing grievances and/or disputes. Staff working at the resort are its most valuable asset and every employee is given ongoing development and training to not only improve their skills but encourage personal development.

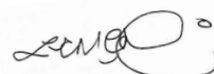
In addition to helping employees perform their jobs more competently, Southern Sun offers training programmes. The use of other platforms such as Microsoft Teams and Zoom has afforded staff an opportunity to attend an even wider array of courses at a more economical cost.

The resort falls under the Level One BBBEE rating of the Southern Sun Group.

## Custodian of the unique identity

The resort prides itself in its unique and highly enjoyable entertainment programme. The Xscape entertainment facility offers fun and excitement that creates lifelong holiday memories for both children and adults. The Committee ensures that the unique identity of "Kid is King" is maintained so that many families can enjoy exceptional experiences for many generations.

In closing, I am very proud of all that is being achieved by the Committee and staff at the resort and I wish to thank all role players for their support this last year.



**Louise McMillan**  
Chairman

# Umhlanga Sands Share Block Proprietary Limited

Report of the Directors for the Year ended 31 December 2024

The Directors present their annual report of the Company for the year ended 31 December 2024.

## 1 Business activity

The Company owns the land and buildings known as uMhlanga Sands Resort that are utilised by the 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 that 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 Shareholders to make loans to the Company; and
3. Obligations on share block Shareholders to contribute levies to enable the Company to defray its expenditure.

## 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 annually against this amount. Before providing for property, plant and equipment additions and replacements, a surplus of R32,785,223 (2023: R30,272,520) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2023: R Nil).

## 3 Share capital

The authorised and issued share capital has remained unchanged.

## 4 Insurance

The resort buildings and its contents 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:

RN Dickson *	(Alternate: AL Faulds - Appointed 15 February 2024)
LE McMillan ^	
MF Mia ^	
AB Ramsarup *	
AN Ridl *	Chairman (Alternate: MN Ridl)
JPF van Rooyen ^	(Resigned: 24 January 2025)
MA Zoya ^	

\* 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:

<b>Business:</b>	<b>Postal:</b>
Nelson Mandela Square	Private Bag X200
4th Floor, South Tower	Bryanston
Corner 5th and Maude Streets	2021
Sandton	
2196	

# Umhlanga Sands Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2024

## 6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited.

## 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 significantly affect the financial position of the Company or the results of its operations.

## 8 Legal matters

The Company is currently pursuing legal action regarding the following matter.

The legal matter is an objection to the rates reclassification by the eThekweni Municipality. The Company has been classified in the "Business and Commercial" rates category resulting in a steep increase in the annual rates charge. The Company is awaiting the outcome of similar objections raised by other share block companies before proceeding further on this matter. R59,992 was spent on legal fees in 2024 (2023: R142,599).

# Umhlanga Sands Share Block Proprietary Limited

## Report of the Independent Auditors

### To the Shareholders of Umhlanga Sands Share Block Proprietary Limited

#### Opinion

We have audited the financial statements of Umhlanga Sands Share Block Proprietary Limited (the Company) set out on pages 14 to 24, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 Umhlanga Sands Share Block Proprietary Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 "Umhlanga Sands Share Block Proprietary Limited Annual Report for the yearended 31 December 2024", which includes the Declaration by the Company Secretary, Report of the Audit Committee, Report of the Social and Ethics Committee and the Directors' Report 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 the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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.

# Umhlanga Sands Share Block Proprietary Limited

## Report of the Independent Auditors

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.

### 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

Registered Auditor

30 June 2025

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

# Umhlanga Sands Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	2024 R	2023 R
<b>Income</b>		<b>102 011 136</b>	95 234 146
Levy income		95 177 087	89 825 167
Other income		6 834 049	5 408 979
<b>Expenses</b>		<b>(77 688 037)</b>	(71 653 457)
Levy surplus before interest and taxation	3	24 323 099	23 580 689
<b>Finance income</b>	4	<b>11 636 614</b>	9 213 733
Levy surplus before taxation		35 959 713	32 794 422
<b>Income tax expense</b>	5	<b>(3 174 490)</b>	(2 521 902)
<b>Levy surplus for the year</b>		<b>32 785 223</b>	30 272 520

# Umhlanga Sands Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2024

	Note	2024 R	2023 R
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories		116 299	154 487
Trade and other receivables	6	17 046 051	15 496 273
Levies receivable	7	2 404 746	2 287 236
Fixed deposits held with bank	11	146 500 000	120 000 000
Cash and cash equivalents	12	5 865 011	3 083 698
<b>Total current assets</b>		<b>171 932 107</b>	<b>141 021 694</b>
<b>Total assets</b>		<b>171 932 107</b>	<b>141 021 694</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	10	3 537 184	3 537 184
Reserve for property, plant and equipment	8	117 853 722	93 369 300
<b>Total equity</b>		<b>121 390 906</b>	<b>96 906 484</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	15 304 325	16 150 414
Levies received in advance	13	29 540 485	25 442 895
Current tax liabilities		5 696 391	2 521 901
<b>Total current liabilities</b>		<b>50 541 201</b>	<b>44 115 210</b>
<b>Total liabilities</b>		<b>50 541 201</b>	<b>44 115 210</b>
<b>Total equity and liabilities</b>		<b>171 932 107</b>	<b>141 021 694</b>

## Statement of Changes in Equity for the Year Ended 31 December 2024

	Note	2024 R	2023 R
<b>Share capital</b>			
Ordinary shares at the beginning of the year and at year-end	10	3 537 184	3 537 184
<b>Reserve for property, plant and equipment</b>			
At the beginning of the year		93 369 300	79 126 102
Levy surplus for the year		32 785 223	30 272 520
Property, plant and equipment additions and replacements during the year	8	(8 300 801)	(16 029 322)
At year-end		117 853 722	93 369 300

# Umhlanga Sands Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2024

	2024 R	2023 R
<b>Cash flow from operating activities</b>		
Levy surplus before taxation	35 959 713	32 794 422
Adjustments for		
Interest received	(11 636 614)	(9 213 733)
Net surplus before working capital changes	24 323 099	23 580 689
Changes in working capital		
Movement in inventories	38 188	(11 968)
Movement in levies receivable	(117 510)	1 143 859
Movement in trade and other receivables	(1 549 778)	1 285 039
Movement in levies received in advance	4 097 590	(1 597 677)
Movement in trade and other payables	(846 089)	1 086 306
Cash flows from operating activities	25 945 500	25 486 248
Interest received	11 636 614	9 213 733
Tax paid	-	(1 748 975)
Net cash inflow from operating activities	37 582 114	32 951 006
<b>Cash flow from investing activities</b>		
Property, plant and equipment additions and replacements	(8 300 801)	(16 029 322)
Movement in fixed deposits held with bank	(26 500 000)	(16 500 000)
Net cash outflow from investing activities	(34 800 801)	(32 529 322)
<b>Net movement in cash and cash equivalents</b>	2 781 313	421 684
Cash and cash equivalents at the beginning of the year	3 083 698	2 662 014
<b>Cash and cash equivalents at year-end</b>	<b>5 865 011</b>	<b>3 083 698</b>

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

## 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 IFRS for SMEs Accounting Standard 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 SMEs Accounting Standard 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 are 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 disposals of property, plant and equipment are credited to the statement of comprehensive income.

### 1.3 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out ("FIFO") method. Net realisable value is the estimate of the selling price in the ordinary course of business.

### 1.4 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.

### 1.5 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 the 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 any 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.

### 1.6 Cash and cash equivalents

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

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

## 1.7 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.

## 1.8 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.

## 1.9 Equity

Ordinary shares are classified as equity.

## 1.10 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.

## 1.11 Retirement benefits

The Company participates in a defined contribution plan, 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 plan. All permanent employees are required to belong to the defined contribution plan.

## 2 Financial risk management

### Capital management

All costs associated with the maintenance of the resort, including the refurbishment of the property and replacements of movable property, plant and equipment, are financed out of levies from the 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 agreements associated with the shares of the Company, Shareholders are obliged to contribute levies sufficient to cover the costs of the 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 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.

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

## 2 Financial risk management (continued)

### Credit risk

Credit risk arises from bank balances and amounts due by Shareholders. There is no significant concentration of credit risk on amounts due by Shareholders.

The Company invests 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.

In terms of the Company's accounting policies, levies receivable are recognised in the statement of financial position only when the right to occupation arises.

### 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.

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

	2024 R	2023 R
<b>3 Levy surplus before interest and taxation</b>		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
Salaries, wages and benefits	16 109 525	14 915 139
Contributions to retirement funds	1 097 169	985 816
Management fees	2 674 235	2 558 320
Audit fees	249 323	235 000
Internal audit, legal fees and professional fees	444 895	206 093
Other operating expenses	57 112 890	52 753 089
	<b>77 688 037</b>	<b>71 653 457</b>
<b>4 Finance income</b>		
Interest income earned on fixed deposits, call deposits and current account	<b>11 636 614</b>	<b>9 213 733</b>
<b>5 Income tax expense</b>		
Provision is made for Company taxation on the non-levy income.		
No tax is payable on levy income from the Shareholders in terms of Section 10(1)e of the Income Tax Act.		
Current year	<b>3 171 168</b>	<b>2 521 902</b>
Prior year under provision	<b>3 322</b>	<b>-</b>
	<b>3 174 490</b>	<b>2 521 902</b>
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on the Company's net non-levy income.		
<b>6 Trade and other receivables</b>		
Trade receivables (refer note 15)	<b>207 559</b>	<b>469 776</b>
Prepayments	<b>12 943 430</b>	<b>11 837 401</b>
Interest receivable	<b>1 785 530</b>	<b>1 537 957</b>
Sundry receivables (refer note 15)	<b>2 109 532</b>	<b>1 651 139</b>
	<b>17 046 051</b>	<b>15 496 273</b>
<b>7 Levies receivable</b>		
Levy debtors	<b>1 791 678</b>	<b>2 257 996</b>
Reposessed debtors	<b>885 972</b>	<b>29 240</b>
Provision for reposessed debtors	<b>(272 904)</b>	<b>-</b>
Opening balance	<b>-</b>	<b>(624 251)</b>
Movement	<b>(272 904)</b>	<b>624 251</b>
	<b>2 404 746</b>	<b>2 287 236</b>

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

	2024 R	2023 R
<b>8 Reserve for property, plant and equipment</b>		
At the beginning of the year	93 369 300	79 126 102
Levy surplus for the year	32 785 223	30 272 520
	<b>126 154 523</b>	<b>109 398 622</b>
Property, plant and equipment additions and replacements during the year	<b>(8 300 801)</b>	<b>(16 029 322)</b>
At year-end	<b>117 853 722</b>	<b>93 369 300</b>
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.		
The Directors have approved capital expenditure of R36,810,910 for 2025 (2023: R14,923,925). There were capital commitments made for R3,500,383 at year-end (2023: R Nil).		
<b>9 Trade and other payables</b>		
Trade payables (refer note 15)	5 663 499	6 783 213
Other payables		
Accruals	3 204 566	3 197 799
Provision for auditor's remuneration	249 619	176 349
SARS - Vat	2 579 283	3 157 835
Sundry payables (refer note 15)	3 607 358	2 835 218
	<b>15 304 325</b>	<b>16 150 414</b>
<b>10 Share capital</b>		
<b>Authorised and issued</b>		
35,371,840 Class "A" ordinary shares of 10 cents each	<b>3 537 184</b>	<b>3 537 184</b>
<b>11 Fixed deposits held with bank</b>		
Fixed deposits held with bank	<b>146 500 000</b>	<b>120 000 000</b>
<b>12 Cash and cash equivalents</b>		
Bank balances	5 828 298	3 048 985
Cash on hand	36 713	34 713
	<b>5 865 011</b>	<b>3 083 698</b>
<b>13 Levies received in advance</b>		
Levies received in advance	<b>29 540 485</b>	<b>25 442 895</b>

Shareholders are billed 12 months in advance. This represents levies received in advance (for the future year) that have been received at the end of the financial year.

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

	2024	2023
	R	R

## 14 Property, plant and equipment

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.

Land and buildings comprise the following property:

Lot 1076, Umhlanga Rocks Township, Kwa-Zulu Natal with buildings thereon, known as uMhlanga Sands Resort.

Land and buildings were originally purchased for R13,882,239 and are not recognised. Although the Company has legal title to the property, it effectively only owns the bare dominium over the property that is considered to be of no value. The property is currently valued by the municipality at R355,000,000 for rates purposes. There are no bonds on the property.

## 15 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	366 229	236 751
Rental pool	1 085 672	661 110
Management fee	2 674 235	2 558 320
Central accounting and levy collection fees	3 942 789	3 722 832

The Company receives rental income from SSHI for the letting of office space:

Rental income	(145 815)	(145 815)
---------------	-----------	-----------

Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. During the financial year the Company received the following fee in terms of the management agreement:

Commission on resale and rental of weeks - SST	(130 659)	(150 222)
--	-----------	-----------

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	(83 786)	(73 391)
Secretarial fees on repossessed debtors - SRMS	162 978	152 174

During the year, the Company concluded 2 bulk deals with SunSwop (a division of SSHI), selling repossessed weeks in order to reduce the number of repossessed weeks and to secure future levy collection. SunSwop purchased 123 repossessed weeks from the Company for R828,657 and 50 repossessed weeks from the Company for R623,710 (2023: purchased 99 repossessed weeks from the Company for R716,183 and 121 repossessed weeks from the Company for R1,094,017).

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

	2024 R	2023 R
<b>15 Related party transactions (continued)</b>		
During the financial year the Company paid the following SSHI internal charges:		
Administration - Information technology, industrial relations, training, etc	1 400 543	1 298 225
Training related	7 705	5 500
Frequent guest loyalty program	88 875	41 813
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, that include insurance and certain maintenance and operating lease contracts, are recovered from the Company via a loan account. The balance of the loan account is as follows:		
Due (to)/by SSHI and its subsidiaries:		
Included in trade payables (refer note 9)	(1 442 613)	(2 974 147)
Included in sundry payables (refer note 9)	(129 706)	(330)
Included in trade receivables (refer note 6)	8 567	-
Included in sundry receivables (refer note 6)	-	61 561
	<b>(1 563 752)</b>	<b>(2 912 916)</b>

SSHI own weeks in the Company as follows:

	Number of weeks	Levies paid R	Levies received in advance R
SunSwop (a division of SSHI) - 2024 shareholding	906	6 830 600	2 075 420
SunSwop (a division of SSHI) - 2023 shareholding	735	4 196 470	1 436 240

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

## 2024 - shareholding

RN Dickson - Dream Vacation Club	673	5 878 860	1 712 600
AB Ramsarup - The Leisure Holiday Club	579	5 123 070	1 650 600
AN Ridl - Club Leisure Group	1 151	10 413 410	3 412 000

## 2023 - shareholding

RN Dickson - Dream Vacation Club	658	5 524 840	1 611 680
AB Ramsarup - The Leisure Holiday Club	579	4 835 070	1 557 350
AN Ridl - Club Leisure Group	1 151	9 828 280	2 977 070

# Umhlanga Sands Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2024

	2024 R	2023 R
<b>16 Directors' emoluments</b>		
For their services to the Company, the Directors have been remunerated an agreed upon fee per meeting attended and are reimbursed for costs incurred whilst performing the Company's business. Further, the Directors are insured for medical costs and personal accident. The 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 negligence, default, breach of duty or breach of trust.		
Directors' emoluments paid for the year:		
RN Dickson	25 200	33 600
AL Faulds	8 400	-
LE McMillan	33 600	33 600
MF Mia	33 600	33 600
AB Ramsarup	33 600	33 600
AN Ridl	33 600	33 600
JPF van Rooyen	25 200	33 600
MA Zoya	33 600	33 600
MN Ridl	-	-
	<b>226 800</b>	<b>235 200</b>

# Umhlanga Sands Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements  
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2024

	2024 R	2023 R
<b>INCOME</b>		
Levies	95 177 087	89 825 167
Rental pool	1 653 071	995 953
Short-term rentals	3 003 124	2 114 496
Net non-levy income		
- telephone, rentals and penalties etc	2 177 854	2 298 530
	<b>102 011 136</b>	<b>95 234 146</b>
<b>EXPENDITURE</b>		
<b>Room expenses</b>		
Cleaning supplies	354 417	366 455
Guest entertainment and DSTV	2 434 383	2 219 481
Guest supplies	1 051 232	880 406
Laundry	3 829 289	3 554 366
Pest control	43 248	39 292
Personnel costs - outside services	8 560 302	7 990 872
Plants and decorations	29 147	33 253
Printing and stationery, including reception	371 582	354 892
Replacement of cutlery, crockery, linen, towels, uniforms, etc	1 982 927	1 835 735
Security and banking services	2 917 783	2 718 558
	<b>21 574 310</b>	<b>19 993 310</b>
<b>Administration and general</b>		
Audit fees		
- current year	249 223	235 000
- disbursements prior year	100	-
Bank charges	24 653	17 088
Central accounting and levy collection fees	3 942 789	3 722 832
Corporate social initiatives	(5 347)	111 946
Covid related costs	(7 878)	-
Credit card commission	431 002	328 218
Directors' emoluments	226 800	235 200
Information technology costs	2 284 140	1 935 678
Insurance		
- premium	1 623 954	1 457 776
Internal audit	-	(6 344)
Legal fees	94 710	212 437
Licences and permits	(24 163)	192 521
Loss on repossessed debtors	597	421 638
Marketing	95 173	108 661
Postage	348	583
Professional fees	350 185	-
Provision for repossessed debtors	272 904	(624 251)
Railage, cartage and hire transport	586	15 137
Subscriptions	175 773	155 919
Telephone	10 211	17 600
Travel - management and Directors	47 557	41 397
Vehicles - fuel and oil	114 100	120 796
	<b>9 907 417</b>	<b>8 699 832</b>

# Umhlanga Sands Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements  
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2024

	2024 R	2023 R
<b>Electricity, water and refuse</b>		
Electric bulbs	67 024	94 546
Electricity	6 077 762	5 431 823
Generator fuel	230 983	1 106 243
Refuse	338 756	382 269
Water	2 912 108	1 741 209
	<b>9 626 633</b>	<b>8 756 090</b>
<b>Repairs and maintenance</b>		
Air-conditioning	872 207	972 825
Buildings and elevators	600 685	665 436
Electrical and mechanical	315 822	281 213
Furniture, fixtures and room access cards	753 813	810 971
Gardens and grounds	384 950	402 846
Painting and redecorating	136 330	61 919
Plumbing and heating	165 404	143 374
Radio and TV	239 956	61 335
Room care	421 695	405 160
Swimming pool cleaning and repairs	103 342	116 408
Vehicles	56 781	44 740
	<b>4 050 985</b>	<b>3 966 227</b>
<b>Capital charges</b>		
Municipal rates and taxes	11 845 818	11 021 153
Urban improvement programme	801 945	757 570
	<b>12 647 763</b>	<b>11 778 723</b>
<b>Personnel costs</b>		
Rooms	11 910 838	10 471 696
Administration and general	2 637 151	3 050 870
Repairs and maintenance	2 658 705	2 378 389
	<b>17 206 694</b>	<b>15 900 955</b>
<b>Management fee</b>	<b>2 674 235</b>	<b>2 558 320</b>
<b>Total expenditure</b>	<b>77 688 037</b>	<b>71 653 457</b>
<b>Excess of income over expenditure before finance cost and taxation</b>	<b>24 323 099</b>	<b>23 580 689</b>
<b>Finance income</b>		
Interest received	11 636 614	9 213 733
<b>Excess of income over expenditure before taxation</b>	<b>35 959 713</b>	<b>32 794 422</b>
<b>Taxation</b>		
Current year	3 171 168	2 521 902
Prior year under provision	3 322	-
	<b>3 174 490</b>	<b>2 521 902</b>
<b>Excess of income over expenditure after taxation for the year, transferred to reserve for property, plant and equipment</b>	<b>32 785 223</b>	<b>30 272 520</b>

# Umhlanga Sands Share Block Proprietary Limited

## MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2023 HELD ON THURSDAY 19 SEPTEMBER 2024 AT 10H00 AT UMHLANGA SANDS RESORT UMHLANGA

### 1 WELCOME AND PREAMBLE

As Chairman of the Company Mr Anthony Ridl welcomed all Shareholders present, both in person and online through the Microsoft Office Teams platform, to the 2023 Annual General Meeting ("AGM") of Umhlanga Sands Share Block. He introduced his fellow Directors: Ms Louise McMillan; Mr Ajith Ramsarup; Dr Mahomed Mia; and noted that Mr Nicholas Dickson and Mr Mzwandile ("Al") Zoya were in attendance online. Mr Johannes ("John") van Rooyen was unable to join the meeting and had tendered apologies.

The Chairman noted that members of Senior Management, the Company Secretariat team, and a representative of the Company's audit firm were also present.

### 2 QUORUM

A number of Shareholders had tendered apologies for the meeting and had submitted forms of proxy for voting purposes. The Chairman noted that 8,484,325 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of 23.99% of the Company's issued share capital. With the required quorum being present, being at least 3 Shareholders present and holding at least 5% of the share capital, the Chairman declared the meeting duly constituted.

### 3 NOTICE OF MEETING

All Shareholders present consented that the notice of meeting dated 9 May 2024 be and is hereby taken as read.

### 4 VOTING

The Chairman informed the meeting that voting against each resolution would be conducted by means of a show of hands. For the resolutions to be carried 50% of total votes exercised must be in favour of an ordinary resolution and 60% of total votes exercised must be in favour of a special resolution.

### 5 ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

#### ORDINARY RESOLUTION 1

Ordinary resolution 1 as set out in the notice convening the meeting, related 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 2023. No questions or comments were recorded, and it was unanimously RESOLVED that the Annual Financial Statements for the year ended 31 December 2023 be and are hereby adopted.

### 6 APPOINTMENT OF AUDITORS - BDO SOUTH AFRICA INCORPORATED ("BDO")

#### ORDINARY RESOLUTION 2

Ordinary resolution 2 related to the appointment of BDO South Africa Incorporated ("BDO") as the independent auditors of the Company until conclusion of the next AGM of the Company. It was unanimously RESOLVED that BDO be and is hereby appointed as the independent auditors of the Company for the ensuing year's audit.

### 7 DIRECTORS

In terms of the Company's Memorandum of Incorporation ("MOI") the Board was limited to no more than 7 Directors. The Directors who retired at this meeting were however eligible and available for re-election. No additional nominations had been received to date and no nominations were presented from the floor.

The Chairman proposed that the meeting take ordinary resolution 3.1 to 3.7 as outlined in the notice of this AGM in the annual report as read and proposed that the meeting vote for all the eligible Directors en bloc.

No objection was recorded against the proposed en bloc voting or to the re-election of any of the Directors and it was unanimously RESOLVED that Mr Nicholas Dickson, Ms Louise McMillan, Dr Mahomed Mia, Mr Ajith Ramsarup, Mr Anthony Ridl, Mr John van Rooyen and Mr Al Zoya be and are hereby re-elected as Directors of the Company.

# Umhlanga Sands Share Block Proprietary Limited

## 8 APPOINTMENT OF AUDIT COMMITTEE

In terms of the Company's MOI, the Company was required at each AGM to appoint an Audit Committee comprising at least 3 members. As with the election of the Directors, the Chairman proposed that the meeting take ordinary resolution 4.1 to 4.3 as outlined in the notice of this AGM in the annual report as read and proposed that the meeting vote for the Audit Committee members en bloc.

There was no objection to the proposal for en bloc voting or to the re-appointment of any of the current members and it was unanimously RESOLVED that Mr Nicholas Dickson, Mr Ajith Ramsarup and Mr Anthony Ridl be and are hereby re-appointed as members of the Company's Audit Committee.

## 9 INSURED VALUE OF PROPERTY

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 R1,088,169,056. This resulted in an approximate year-on-year increase of 10.4%. (Buildings were valued at R958,659,993 and furniture, fittings and equipment were valued at R129,509,063). It was unanimously RESOLVED that the insured value of the property be and is hereby approved at R1,088,169,056.

## 10 NON-EXECUTIVE DIRECTORS' FEES

### SPECIAL RESOLUTION 1

Special resolution 1 related to the approval of the fees payable to non-executive Directors for their services as a Director. The Chairman advised that Directors' fees had not increased for the past 5 years and was not recommended for increase for the year ahead. It was unanimously RESOLVED that in terms of the provisions of Section 66(9) of the Companies Act 71 of 2008 that R8,400 (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, per meeting or cluster of meetings in respect of the period from 20 September 2024 until the next AGM of the Company, be and is hereby approved.

## 11 OTHER BUSINESS

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

Together with a slide show presentation, the General Manager of uMhlanga Sands Resort, Mr Antony Larsen presented an overview of the following achievements, projects and results during the 2023 year:

- Overall occupancy was 86% (2022: 85%);
- Energy consumption year-on-year showed an increase of 1.5%;
- Total water consumption year-on-year showed a decrease of 0.4%.
- Borehole water consumption year-on-year showed a decrease of 25.6%. The borehole was re-sleeved, and the filtration system was replaced to ensure that the borehole operated effectively to reduce reliance on the municipal water supply;
- Recycling increased to 55% of total waste produced (2022: 53%);
- The resort was awarded 4-Star Tourism Grade Resort;
- Organisational Resilience Management Services ("ORMS") audit scored 99.2%; and
- Guest satisfaction feedback recorded GuestRevu at 90%; RCI 91%; Tripadvisor 77% and Google Reviews at 91%.

Mr Larsen presented images and feedback on the following property improvements and upgrades:

- Completion of the extensive 3-year long major spalling works. The necessary work had been disruptive at times, but the building was now in a phenomenally good state;
- Creation of the mezzanine adult lounge and meeting area that opened in July 2023. The space was very popular and had added much value to the property; and
- Completion of the waterproofing and tarring to the elevated section of the main parking area.

Corporate Social Investment ("CSI") initiatives included:

- Rise Against Hunger: staff volunteered to make food packages on Mandela Day;
- Reach for a Dream: terminally ill children were invited to stay at the resort to experience its hospitality and being so close to the beach. They were also treated to a game of Amazing Race around the property; and
- CHOC: staff and guests participated in fundraising events such as Flip Flop Day and the Cansa Shavathon.

# Umhlanga Sands Share Block Proprietary Limited

Environmental initiatives included:

- World Water Day was celebrated and a blindfolded water taste competition was held as well as a tour of the borehole plant;
- Weekly beach clean-ups continued;
- World Wetlands Day was celebrated to create awareness; and
- Earth Hour was enjoyed with guests and staff shutting off all lights for the hour.

A Shareholder enquired whether the property was self-sufficient in respect of supplying water and electricity. Mr Larsen proudly replied that the entire property, excluding the air conditioning units, was operable through the generator system. The borehole produced approximately 60kl of water each day which was converted to potable water and chlorinated thereafter to ensure that there were no contaminants from the municipal supply. This underground supply continued irrespective of a low to no municipal supply. The property also stored sufficient water on the roof area to last a period of 3-days if the municipal supply was compromised.

The Chairman shared that the Board and management team was planning a major rooms refurbishment project, with mock-up units potentially completed in 2025 for the project to roll out in 2026. The cash component in the reserves would be spent during that scheduled project.

The Chairman noted that Mr Larsen would soon be transferred to Cabana Beach Resort as its General Manager and that he would be replaced by Mr Pranesh Sukhdeo whom Shareholders may remember as a previous Deputy General Manager of uMhlanga Sands Resort. Mr Larsen had done excellent work at uMhlanga Sands Resort and he had completed some fantastic projects. He certainly made his mark over the last 5 years. The Board wished him well and felt assured given that he would be positioned close by. The Chairman stated that Mr Sukhdeo was currently the General Manager of Drakensberg Sun Resort and although he knew uMhlanga Sands Resort extremely well, he brought with him, experience from another well-run property. Mr Larsen thanked the Chairman and the Board for the support extended to him over the last 5 years.

The Chairman thanked the Shareholders in attendance and extended thanks his fellow Directors and the very good management team for its guidance and assistance over the last year. The resort was in great condition and extremely well run which certainly made the role of the Board members much easier. Southern Sun management team maintained the very high standard of the resort and weeks were always in high demand as a highly desired destination. The Chairman believed that uMhlanga Sands Resort had one of the best onsite management teams.

## CLOSURE

There being no further business, the Chairman declared the meeting closed at 10h30.



Chairman

