

Drakensberg Sun Chalets Share Block Proprietary Limited

Registration no:1988/002500/07

Annual Report

for the year ended 31 December 2024

Drakensberg Sun Chalets Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2024

COMPANY INFORMATION

Registration number:	1988/002500/07
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 Drakensberg Sun Chalets Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

As your Chairman, I take pleasure in reporting on the operations, developments, financial performance and position of Drakensberg Sun Chalets Share Block ("the Company") for the 2024 year.

Drakensberg Sun Resort consistently offers our Shareholders, exchange guests, and visitors exceptional holiday experiences and this is evident through the guest feedback surveys received. Our staff members consistently deliver a memorable holiday experience for all who visit our resort. Drakensberg Sun Resort is considered a premier location at which to relax and enjoy the pristine mountain air and it continues to be one of the most sought-after holiday destinations in Southern Africa.

The management team onsite has seen some positive changes where the local properties are trying their best to regularly repair the road but unfortunately the high level of traffic and increased rainfall has made this challenging. Nevertheless, our management team in collaboration with local civic organisations will continue to apply pressure on the municipality to expedite the necessary and urgent repairs. Fortunately for staff and our guests, the road from the turnoff towards the resort is easier to maintain and is in a better overall condition. I extend my gratitude to the Southern Sun team for its guidance and perseverance in this matter.

Mr Pranesh Sukhdeo our General Manager was transferred to Umhlanga Sands Resort in November 2024 and he is replaced by Ms Marike van Wyk who is very capable and brings a wealth of experience from her previous post at Pine Lake Resort in White River.

Projects and upgrades completed in 2024

Refurbishment of chalets

Refurbishment of the chalets is progressing steadily and successfully. A crucial aspect of the project was to address the exterior structural issues to ensure safety of all and I am pleased to report that the critical repairs have been completed along with the refurbishment programme in the first 12 chalets that were refurbished. While the remaining 18 chalets exhibit signs of deteriorating exterior woodwork, the units do not currently pose any safety risks.

As the refurbishment project progresses, I am confident that the efforts will significantly enhance your timeshare experience. In terms of the interiors, the new design, layout, and comfort of the chalets has been very well received particularly with improvements made to the longstanding requests for a larger refrigerator and microwave oven as well as to improve the outside deck or patio area.

On behalf of the Board, I extend gratitude to the designers and technical teams for the dedication in making this project a success, and to the management team for facilitating the project's execution. I would also like to thank the guests affected during the refurbishment works for their understanding and for putting up with the unavoidable noise during the construction phases.

Maintenance and infrastructure improvements

The past two years presented challenges following episodes of heavy rain as rainwater had affected the chalets and flooded some units. To mitigate future risks, the team undertook a comprehensive upgrade of the storm water drainage system around the chalets. This infrastructure improvement is designed to effectively manage excessive groundwater and to safeguard our property from similar events and incidents of flooding.

Two bridges that were washed away were rebuilt to ensure ease of access to various parts of the property and to allow water to flow freely again.

The old jetty was replaced to ensure a smooth and safer access to boats for all water activities.

Recreational additions

The trout population in the dam was increased and trout fishing is well received by many guests. Fly fishing is popular amongst the enthusiasts.

Other enhancements

A great draw card in addition to the mountainous landscape is our heated swimming pool facility. The swimming pool and surrounding area underwent a refurbishment during the year and looks great. It continues to be a favourite area for guests to relax and enjoy the mountain views as well as take part in family fun through the entertainment programme.

Restoration of access to the Blue Grotto Trail

Additional directional signage has been added to ensure that guests stay on the designated trail route and for added safety and precautionary measures, ropes have been strung in areas where the incline or decline of the path is steep. Some areas along the paths stay slippery after rain has fallen. The management team is vigilant, and staff walk the trails often to ensure that guests and visitors are safe. Improvements are made wherever necessary.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

The safety of all on the property is of paramount importance and while mentioning the trails, I take this opportunity to remind everyone that it is strongly discouraged that hikers go out onto the trails alone. Whether you are new to hiking or a well-versed hiker, you are requested to notify the entertainment desk as you leave the resort and you are to sign back in upon your return. This safety precaution is taken very seriously so that a search party knows where to look for you should an unforeseen event take place while you are out on a walk or hike. Please liaise with the staff at the entertainment desk to help make your walk or hike an enjoyable and trouble-free experience.

Financial position

I assure you that the Directors on your Board closely review all income and expenditure, and that much deliberation takes place at each Board meeting on how to further reduce expenditure and find ways to improve sources of income for the Company. The management team has been tasked to consistently: improve and extend marketing channels to grow the sales and rentals of the chalet units; work in conjunction with the apartments and hotel entity on the property for additional rentals and sales; and to approach current and new markets to attract entertainment, sporting events and other business not only to the resort but to the area.

Occupancy

Occupancy for 2024 ended on 81.9% (2023: 82%). Should you find yourself unable to utilise your timeshare week, please advise the resort of this, as the week may be placed in the long-term rental pool (90-days advance notice required), or short-term rental pool that would benefit both yourself and the Company. Alternatively, you could deposit your week with SunSwop for an exchange into the resort at another time or into another resort property, either locally or internationally.

Financial results for the year ended 31 December 2024

The statement of comprehensive income as set out on page 12 of the annual financial statements reflects income and expenditure of the Company in a summarised format. The detailed levy fund operating statement that is not audited and is presented as supplementary information, appears on pages 22 and 23.

The statement of comprehensive income and expenditure for the year ended 31 December 2024 reflects total income including net finance income of R17.6m (2023: R17m) and total expenditure of R14.6m (2023: R14.6m). The levy surplus after taxation was R2.9m (2023: R2.2m)

and this was transferred to the reserve for property, plant and equipment. Below is a more detailed review of variances in income and expenditure:

Income

Total income increased by 3.5% year-on-year and the management team continues to pursue opportunities to increase revenue particularly through the short-term rentals and the rental pool system.

Expenditure

Total expenditure of R14.6m (2023: R14.6m) remained flat year-on-year and a more detailed review of the expenditure is recorded below:

- **Rooms** increased by 2.3% compared to prior year due to the annual increase in the cleaning services and security contracts;
- **Administration and general** reflected a decrease of 3.1% primarily due to the decrease in the provision for repossessed debtors and savings generated in telephone costs, due to the change in diverting the Telkom lines to Video on Demand;
- **Electricity, water and refuse** decreased by 16.6% due to a reduction in episodes of load shedding and a lower consumption of generator diesel;
- **Repairs and maintenance** decreased by 9.5% mainly due to less frequent usage of the generator and the prior year having included costs to repair the fire damage at the Cathkin building; and
- **Corporate charges** increased by 11.2% due to the annual increase in rates and taxes

Statement of financial position

The statement of financial position detailed on page 13 together with the related notes thereto, reflects the financial position of the Company.

The reserve for property, plant and equipment decreased to R2.6m (2023: R2.7m); levies receivable decreased to R1.2m (2023: 1.6m); while fixed deposits held with bank increased to R4.9m (2023: R4.7m); cash and cash equivalents increased to R2m (2023: R1.8m); and levies received in advance increased to R4.6m (2023: R3.7m). The Company incurred capital expenditure of R3.1m (2023: R7.6m) in respect of the following major projects:

	R
Chalets' refurbishment	2,525,957
IT infrastructure	127,575
Chalet equipment	110,022
Swimming pool mattresses	70,233

Drakensberg Sun Chalets Share Block Proprietary Limited

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

Levy budget

As already alluded, your Board examines each item of expenditure on a line-by-line basis and has been satisfied that the management team makes every effort to ensure that cost increases are as minimal as possible, without affecting the standards and facilities enjoyed by all. Levies for the following year will be approved in August and will be communicated to all Shareholders in due course.

Vacation ownership association of Southern 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. The Company remains a member of VOASA.

Surrounding developments

I confirm that neither I, nor the Board, nor the management team is aware of any new land claims having been lodged, or any advancement regarding any existing claims.

Conclusion

You can be assured that our Company is well run and in a good financial position and that it is strongly supported by the very capable and reliable management team of Southern Sun. I am confident that Directors, Shareholders and guests will continue to receive the attention to detail and great service that the management team has always provided at our wonderful resort.

Staff continuously go the extra mile for our guests, and I am sure that if you visit the resort, you would have experienced the friendliness, willingness and enthusiasm of our staff members.

As an opportunity to discuss any issues or raise any concerns, I welcome you to attend the forthcoming Annual General Meeting on 15 August 2025. Should you however find yourself unable to attend, please complete and return the form of proxy enclosed on page 5 of this annual report.

Take care and I wish you all a prosperous year ahead.



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

Anthony Ridl
Chairman

**Drakensberg Sun Chalets Share Block
Proprietary Limited**
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("the Company")

Registered Office:
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4th Floor, South Tower
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Sandton 2196

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Bryanston 2021
Telephone: (031) 366 7061
Facsimile: (086) 765 2272
Resorts.companysecretarialservices@southernsun.com

Notice is hereby given to the Shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Friday, 15 August 2025 at 10h30 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga** for the purpose 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 Company 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 is 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 not less than three and not more than five Directors in number. **It would facilitate secretarial procedures if nominations for the appointment of those Directors representing the Shareholders be received by no later than 10h30 on Wednesday, 13 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 Brent 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 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; and

Ordinary resolution 2.4: 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.

4. Appointment of Audit Committee

Ordinary resolution 3.1: Resolved as an ordinary resolution that Mr Brent 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 R4,240 for non-executive Directors' fees was approved at the previous AGM for the year until 15 August 2025. Resolved as a special resolution the increased fees of R4,500 (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 16 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 South African 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 Monday, 18 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 Shareholder's voting rights is Friday, 8 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 10h30 on Wednesday, 13 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
7 May 2025**

**Drakensberg Sun Chalets Share Block
Proprietary Limited**
Registration Number: 1988/002500/07
("the Company")

Registered Office :
Nelson Mandela Square
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Resorts.companysecretarialservices@southernsun.com

Form of proxy for use by Shareholders at the Annual General Meeting ("AGM") of the Company to be held on **Friday, 15 August 2025 at 10h30 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
Ordinary resolution 1: Appointment of auditors			
Ordinary resolution 2: Election of Directors			
2.1 Brent Dickson			
2.2 Louise McMillan			
2.3 Ajith Ramsarup			
2.4 Anthony Ridl			
Ordinary resolution 3: Appointment of Audit Committee			
3.1 Brent Dickson			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
Ordinary resolution 4: Insured value of property			
Special resolution 1: Non-executive Directors' fees (R4,500)			

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 10h30 on Wednesday, 13 August 2025.

Drakensberg Sun Chalets 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 Drakensberg Sun Chalets Share Block Proprietary Limited. The annual financial statements presented on pages 12 to 21 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 ("BDO"), audited the financial statements and their report is presented on pages 10 to 11.

Approval of annual financial statements

The annual financial statements set out on pages 12 to 21 were approved by the Directors on 7 May 2025 and are signed by:



AN Ridl
Chairman



AB Ramsarup
Director (Chairman - Audit Committee)

Declaration by the Company Secretary

I hereby confirm in my capacity as Company Secretary of Drakensberg Sun Chalets 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

Drakensberg Sun Chalets 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 Brent Dickson, Mr Ajith Ramsarup (Chairman) 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 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 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, or related 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 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 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 of independence.



AB Ramsarup
Chairman
7 May 2025

Drakensberg Sun Chalets 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 Drakensberg Sun Chalets Share Block Proprietary Limited is a statutory committee that is governed by the South African Companies Act 71, of 2008, guided by King IV, and the responsibilities allocated to it by the Board. Mr Pranesh Sukhdeo also served on the Committee until he too resigned as a Director and transferred to another Southern Sun managed resort in Umhlanga, effective 13 November 2024.

Composition and functioning

The Committee comprises mainly four Directors from both the Drakensberg Sun Chalets and the Drakensberg Sun Hotel Share Block Boards, namely: myself Ms Louise McMillan; Mr Peter Pienaar; Mr Johannes ("John") van Rooyen; and Ms Marike van Wyk. Mr van Rooyen served on the Committee until his resignation from the Board of Drakensberg Sun Chalets Share Block effective 24 January 2025.

Comprehensive meetings are held at least twice a year and the staff of Drakensberg Sun Resort assist the Committee greatly by taking part in many activities and report back to the Committee at each meeting.

Role of the committee

The Committee's responsibilities include monitoring the Company's activities with regards to social and economic development; good corporate citizenship; environment, health and public safety; consumer relationships; as well as labour and employment.

Social and economic development

The Committee has a strong regard for corporate citizenship that highlights its social, cultural, environmental responsibility and sustainability of the initiative. Local corporate social investment initiatives are supported generally through donations of time and written-off operating equipment. Some local organisations in turn recycle and/or reuse the donated items for the benefit of its beneficiaries.

The Committee is pleased to note that the General Manager and Deputy General Manager of Drakensberg Sun are members of the Central Drakensberg Experience. This membership ensures that Drakensberg Sun Resort takes a leading role in tourism and tourism-related decisions that can impact the local and surrounding areas.

Goals set for 2025 are to: maintain commitment in training and developing staff members; expand recycling initiatives; and improve outreach programmes by engaging more with the local community and being involved in other collaborations.

Corporate citizenship

The Committee endeavours to support organisations and initiatives in the resort's local community and through donations of accommodation prize letters, food and beverage prize letters, written-off linen, food parcels and so on, equivalent to R98,190.

Environmental health and public safety

The Committee ensures that the resort's energy, water, and waste programmes are effective and that they contribute towards its sustainable goals. Energy and water consumption is monitored through live-tracking software that records consumption levels through a series of online meters. The system alerts management when consumption occurs outside of the designated and set target areas and management is then able to proactively address any anomalies before wastage can occur.

The system allows for the tracking of trends and places emphasis on using the resort's resources during optimal periods of the day. The implementation of this management resource has contributed greatly over the years to savings both in the resort's usage of utilities and contributing costs.

The resort contracts with WasteCo to responsibly manage the resort's waste and recycling programme. General waste is disposed of in a licensed landfill site while glass, cans, plastic, paper and cardboard is sorted and recycled through other reputable companies.

A 24-hour medical assistance service is available to all staff and guests of Drakensberg Sun Resort. This service offers medical advice and responds to emergencies relating to medical, violence, fire, flooding and other natural disasters.

The organisational resilience management system implemented by Southern Sun throughout all its properties, is a comprehensive recording system of data and statistics relating to fire protection, safety, security, business continuity, environmental impact, risk analysis, and the impact that these areas have on the business. The management system is audited internally by staff members on a quarterly basis and by the risk department of Southern Sun on an annual basis.

The trails at Drakensberg Sun Resort have been awarded the much-coveted Green Flag Trail status. The Committee is extremely proud of this achievement as the international accreditation enhances public awareness and confidence in the trails. The accreditation is a useful tool to market the trails as the accreditation notes that the trails receive regular and ongoing management and care; they show updated and accurate trail data; they reduce impact on the local environment; and any risk associated with each trail option is identified.

Guest relations and correspondence

The Committee and management team of the resort values guest feedback to improve service delivery and business operations wherever possible. In addition to being able to interact with staff members and the management team on site, feedback may be communicated through an electronic guest satisfaction survey called GuestRevu, as well through online platforms such as Tripadvisor, Google Review and RCI.

Labour and employment relations

The Company complies with the Labour Relations Act of South Africa. All staff members are treated fairly, and engagement is frequently monitored. The resort's staff members are one of the most valued assets of Drakensberg Sun Resort and for this reason, the management team assists in training and developing staff members to improve their self-confidence and to guide them in achieving their full potential. The internal training programmes available are generally provided by the Southern Sun training department.

As part of the Southern Sun Resorts portfolio, Drakensberg Sun Resort proudly holds a Level One BBBEE certification.



Louise McMillan
Chairperson

Drakensberg Sun Chalets 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 Drakensberg Sun Resort that is 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 R2,930,104 (2023: R2,236,325) was transferred to the reserve for property, plant and equipment.

No dividend has 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 chalet 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:

BS Dickson *		
LE McMillan ^		
AB Ramsarup *		
AN Ridl *	Chairman	(Alternate: MN Ridl)
JPF van Rooyen ^		(Resigned: 24 January 2025)

* 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:	Postal:
Nelson Mandela Square	Private Bag X200
4th Floor, South Tower	Bryanston
Corner 5th and Maude Streets	2021
Sandton	
2196	

6 Management

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

8 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.

Drakensberg Sun Chalets Share Block Proprietary Limited

Report of the Independent Auditors

To the Shareholders of Drakensberg Sun Chalets Share Block Proprietary Limited

Opinion

We have audited the financial statements of Drakensberg Sun Chalets Share Block Proprietary Limited (the Company) set out on pages 12 to 21, 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 Drakensberg Sun Chalets 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 "Drakensberg Sun Chalets Share Block Proprietary Limited Annual Report for the year ended 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.

Drakensberg Sun Chalets 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

10 June 2025

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

Drakensberg Sun Chalets Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	2024 R	2023 R
Income		17 053 896	16 226 289
Levy income		16 737 784	15 454 512
Other income		316 112	771 777
Expenses		(14 550 135)	(14 561 728)
Levy surplus before interest and taxation	3	2 503 761	1 664 561
Finance income	4	541 144	776 268
Levy surplus before taxation		3 044 905	2 440 829
Income tax expense	5	(114 801)	(204 504)
Levy surplus for the year		2 930 104	2 236 325

Drakensberg Sun Chalets Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2024

	Note	2024 R	2023 R
ASSETS			
Current assets			
Trade and other receivables	6	2 456 426	2 256 212
Levies receivable	10	1 201 210	1 605 405
Fixed deposits held with bank	11	4 897 784	4 716 405
Cash and cash equivalents	12	2 031 957	1 751 273
Total current assets		10 587 377	10 329 295
Total assets		10 587 377	10 329 295
EQUITY			
Capital and reserves			
Share capital	9	1 256	1 256
Reserve for property, plant and equipment	7	2 609 686	2 745 134
Total equity		2 610 942	2 746 390
LIABILITIES			
Current liabilities			
Trade and other payables	8	3 285 255	3 743 282
Levies received in advance	13	4 576 379	3 672 478
Current tax liability		114 801	167 145
Total current liabilities		7 976 435	7 582 905
Total liabilities		7 976 435	7 582 905
Total equity and liabilities		10 587 377	10 329 295

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

	Note	2024 R	2023 R
Share capital			
Ordinary shares at the beginning of the year and at year-end	9	1 256	1 256
Reserve for property, plant and equipment			
At the beginning of the year		2 745 134	8 140 959
Levy surplus for the year		2 930 104	2 236 325
Property, plant and equipment additions and replacements during the year	7	(3 065 552)	(7 632 150)
At year-end		2 609 686	2 745 134

Drakensberg Sun Chalets Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2024

	2024 R	2023 R
Cash flow from operating activities		
Levy surplus before taxation	3 044 905	2 440 829
Adjustments for		
Interest received	(541 144)	(776 268)
Net surplus before working capital changes	2 503 761	1 664 561
Changes in working capital		
Movement in levies receivable	404 195	(334 524)
Movement in trade and other receivables	(200 214)	(239 439)
Movement in levies received in advance	903 901	(538 365)
Movement in trade and other payables	(458 027)	1 363 739
Cash flows from operating activities	3 153 616	1 915 972
Interest received	541 144	776 268
Tax paid	(167 145)	(244 901)
Net cash inflow from operating activities	3 527 615	2 447 339
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(3 065 552)	(7 632 150)
Movement in fixed deposits held with bank	(181 379)	5 451 924
Net cash outflow from investing activities	(3 246 931)	(2 180 226)
Movement in cash and cash equivalents	280 684	267 113
Cash and cash equivalents at the beginning of the year	1 751 273	1 484 160
Cash and cash equivalents at year-end	2 031 957	1 751 273

Drakensberg Sun Chalets 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 disposals 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 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.

1.5 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 flows at cost.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Special levy revenue is recognised when raised.

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

Sundry revenue is recognised when it is earned.

1.7 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 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 include 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 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.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

2 Financial risk management (continued)

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 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 weeks 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.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

	2024 R	2023 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	3 907 562	3 579 875
Contributions to retirement funds	222 736	225 162
Management fees	786 592	732 755
Audit fees	88 785	93 950
Internal audit fees	-	(16 128)
Other operating expenses	9 544 460	9 946 114
	14 550 135	14 561 728
4 Finance income		
Interest income earned on fixed deposits, call deposits and current account	541 144	776 268
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 term of Section 10(1)e of the Income Tax Act.		
Current year	114 801	204 504
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.		
6 Trade and other receivables		
Trade and other receivables (refer note 15)	99 466	22 455
Prepayments	2 225 214	2 115 843
Interest receivable	131 746	117 914
	2 456 426	2 256 212
7 Reserve for property, plant and equipment		
At the beginning of the year	2 745 134	8 140 959
Levy surplus for the year	2 930 104	2 236 325
	5 675 238	10 377 284
Property, plant and equipment additions and replacements during the year	(3 065 552)	(7 632 150)
At year-end	2 609 686	2 745 134

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 for 2025 of R4,047,217 (2023: R5,000,206). There were capital commitments made for R62,139 at year-end (2023: R892,934).

Drakensberg Sun Chalets Share Block Proprietary Limited

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

	2024 R	2023 R
8 Trade and other payables		
Trade payables (refer note 15)	29 497	101 531
Accruals	350 012	175 790
Provision for auditor's remuneration	45 945	42 120
Sundry payables (refer note 15)	713 699	877 974
SARS - Vat	838 009	920 285
Drakensberg Sun Hotel Proprietary Limited (refer note 15)	1 308 093	1 625 582
	3 285 255	3 743 282
9 Share capital		
Authorised		
635,250 ordinary shares of 1 cent each	6 352	6 352
Issued		
125,580 ordinary shares of 1 cent each	1 256	1 256
10 Levies receivable		
Levy debtors	540 527	1 015 068
Reposessed debtors	5 584 817	4 430 455
Provision for reposessed debtors	(4 924 134)	(3 840 118)
Opening balance	(3 840 118)	(2 128 480)
Movement	(1 084 016)	(1 711 638)
	1 201 210	1 605 405
11 Fixed deposits held with bank		
Fixed deposits held with bank	4 897 784	4 716 405
12 Cash and cash equivalents		
Bank balances	2 031 957	1 751 273
13 Levies received in advance		
Levies received in advance	4 576 379	3 672 478

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.

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.

Drakensberg Sun Chalets Share Block Proprietary Limited

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

	2024 R	2023 R
14 Property, plant and equipment (continued)		
Land and buildings comprise the following property: Sub-division 112 of sub-division 4 of the Farm Driefontein No 1389, situated in the regulated area of Cathkin Park, Administrative District of KwaZulu Natal, in extent 20,1798 hectares.		
Land and buildings were originally purchased for R7,848,970 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 R17,000,000 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	19 631	51 559
Rental pool	93 487	43 994
Management fee	786 592	732 755
Central accounting and levy collection fees	283 764	264 626
Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. During the financial year the Company paid/(received) the following fee in terms of the management agreement:		
Commission on resale and rental of weeks - SST	(17 757)	1 542
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	(35 823)	(7 625)
Secretarial fees on repossessed debtors - SRMS	43 461	31 043
During the year, the Company concluded a bulk deal with SunSwop, selling usage of mid-week occupation of repossessed weeks in order to reduce accumulated debt on the weeks. Sunswop purchased mid-week occupation usage of 174 repossessed weeks from the Company for R400,200 (2023: purchased mid-week occupation usage of 109 repossessed weeks from the Company for R218,000).		
During the financial year the Company paid the following SSHI internal charges:		
Administration - Information technology, procurement, etc	286 316	257 304
Most costs of Drakensberg Sun Resort, including costs in terms of contracts negotiated on behalf of members of the Southern Sun Group, are initially incurred by Drakensberg Sun Hotel Proprietary Limited. The portion of costs applicable to the Company is recovered via a current account.		
Amount owing (to)/from Drakensberg Sun Hotel Proprietary Limited, SSHI and its subsidiaries:		
Owing to Drakensberg Sun Hotel Proprietary Limited (refer note 8)	(1 308 093)	(1 625 582)
Included in trade payables (refer note 8)	(29 496)	(1 530)
Included in sundry payables (refer note 8)	(2 940)	(50 719)
Included in trade and other receivables (refer note 6)	3 952	196
	(1 336 577)	(1 677 635)

Drakensberg Sun Chalets Share Block Proprietary Limited

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

	2024 R	2023 R
15 Related party transactions (continued)		
Balances due (to)/by the following entities, related through common directorship, are as follows:		
Drakensberg Sun Hotel Share Block Proprietary Limited - included in sundry payables (refer note 8)	(46 581)	(26 127)
	(46 581)	(26 127)

SSHI owns weeks in the Company as follows:

	Number of weeks	Levies paid R	Levies received in advance R
SunSwop (a division of SSHI) - 2024 shareholding	27	323 410	63 200
SunSwop (a division of SSHI) - 2023 shareholding	27	302 190	59 450

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

2024 - shareholding

BS Dickson - Dream Vacation Club	88	1 120 090	75 840
AB Ramsarup - The Leisure Holiday Club	23	275 850	78 370
AN Ridl - Club Leisure Group	9	171 220	78 370

2023 - shareholding

BS Dickson - Dream Vacation Club	89	1 046 510	198 380
AB Ramsarup - The Leisure Holiday Club	23	257 750	73 720
AN Ridl - Club Leisure Group	19	353 290	85 610

16 Directors' emoluments

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:

BS Dickson	16 960	16 960
LE McMillan	8 480	8 480
AB Ramsarup	8 480	8 480
AN Ridl	4 240	4 240
JPF van Rooyen	12 720	16 960
MN Ridl	-	-
	50 880	55 120

Drakensberg Sun Chalets 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
INCOME		
Levies	16 737 784	15 454 512
Rental pool	-	32 366
Sale of capital assets	17 760	17 604
Short-term rentals	190 234	441 360
Net non-levy income		
- telephone, rentals and penalties etc	108 118	280 447
	17 053 896	16 226 289
EXPENDITURE		
Rooms expenses		
Cleaning supplies	46 639	52 349
Guest entertainment - DSTV, outside services, videos, cocktails, games and prizes	590 271	572 834
Guest supplies	124 468	126 325
Laundry	620 874	634 433
Personnel costs - outside services	1 592 307	1 540 973
Pest control	9 511	9 135
Printing and stationery, including reception	99 377	98 966
Replacement of cutlery, crockery, linen, towels, uniforms, etc	69 876	83 004
Security services	817 714	765 375
	3 971 037	3 883 394
Administration and general		
Audit fees		
- current year	88 785	93 950
Bank charges	3 362	5 503
Central accounting and levy collection fees	283 764	264 626
Corporate social initiatives	26 330	25 000
Credit card commission	40 635	38 471
Directors' emoluments	63 600	(8 346)
Information technology costs	609 698	518 166
Insurance		
- premiums	177 476	126 796
Internal audit fees	-	(16 128)
Licences and permits	18 577	18 373
Loss on repossessed debtors	337 869	30 190
Provision for repossessed debtors	1 084 016	1 711 638
Railage, cartage and hire transport	-	331
Subscriptions/marketing	19 844	14 548
Telephone	28 062	48 041
Travel - management and Directors	5 505	9 099
Vehicles - fuel and oil	48 983	47 946
	2 836 506	2 928 204
Electricity and refuse		
Electricity	1 179 071	894 011
Generator fuel	143 865	705 633
Refuse	66 987	66 081
	1 389 923	1 665 725

Drakensberg Sun Chalets 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
Repairs and maintenance		
Buildings	59 080	94 589
Furniture, fixtures, electrical and mechanical	164 381	183 812
Gardens and grounds	763 472	677 708
Painting and redecorating	18 121	60 081
General maintenance	237 140	356 306
	1 242 194	1 372 496
Company costs		
Annual report and statutory costs	23 091	24 762
Municipal rates and taxes	170 494	149 355
	193 585	174 117
Personnel costs		
Rooms	1 147 638	943 693
Administration and general	2 059 164	1 582 242
Repairs and maintenance	923 496	1 279 102
	4 130 298	3 805 037
Management fee	786 592	732 755
Total expenditure	14 550 135	14 561 728
Excess of income over expenditure before finance income and taxation	2 503 761	1 664 561
Finance income		
Interest received	541 144	776 268
Excess of income over expenditure before taxation	3 044 905	2 440 829
Taxation		
Current	114 801	204 504
	114 801	204 504
Excess of income over expenditure for the year transferred to reserve for property, plant and equipment	2 930 104	2 236 325

Drakensberg Sun Chalets Share Block Proprietary Limited

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2023 HELD ON FRIDAY 20 SEPTEMBER 2024 AT 10H31 IN THE BUSINESS LOUNGE UMHLANGA SANDS RESORT UMHLANGA

1 WELCOME AND PREAMBLE

The Chairman of the Company Mr Anthony Ridl was unable to attend this meeting and had requested that Mr Peter Pienaar, the Chairman of Drakensberg Sun Hotel Share Block, chair this Annual General Meeting ("AGM") of the Company on his behalf. In the absence of the Chairman, Mr Pienaar was duly elected Acting Chairman of this meeting.

The Acting Chairman welcomed all Shareholders, present in person and online through the Microsoft Office Teams platform. He noted that the share block's Directors in attendance were Ms Louise McMillan and Mr Ajith Ramsarup and that Mr Johannes ("John") van Rooyen and Mr Brent Dickson were also unable to attend and had tendered apologies. He then advised that members of Senior Management, the Company Secretariat team, and an audit firm representative was present.

2 QUORUM

A number of Shareholders had tendered apologies for the meeting and had submitted forms of proxy for voting purposes. The Acting Chairman noted that 11,922 ordinary shares were represented in person or by proxy at the start of this meeting and that this constituted a quorum of approximately 9.49% 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 Acting Chairman declared the meeting duly constituted.

3 NOTICE OF MEETING

All Shareholders present consented that the notice of meeting dated 8 May 2024 be and is hereby taken as read.

4 VOTING

The Acting Chairman informed the meeting that voting on 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 5 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 Acting Chairman proposed that the meeting take ordinary resolution 3.1 to 3.5, as outlined in the notice of this AGM in the annual report as read and recommended that the meeting vote for all the eligible Directors en bloc.

Mr Goga enquired whether Shareholders were informed about the nominations and were able to have a say in the Directors being elected. The Acting Chairman replied that the annual report was circulated to all shareholders and in the annual report, the notice of the AGM that listed the nominations recorded at the time of publication and it also called for any other nominations by a given date ahead of the AGM. Shareholders were provided an opportunity to complete a Form of Proxy ahead of the AGM and vote against each nomination received or be present at the AGM to vote against each nomination during the election process.

Drakensberg Sun Chalets Share Block Proprietary Limited

There was no objection to the proposal for voting en bloc or to the re-election of any of the Directors and it was unanimously RESOLVED that Mr Brent Dickson, Ms Louise McMillan, Mr Ajith Ramsarup, Mr Anthony Ridl and Mr John van Rooyen be and are 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 appoint an Audit Committee comprising at least 3 members. As with the election of the Directors, the Acting 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 recommended that the meeting vote for the Audit Committee members en bloc.

There was no objection to the proposal for voting en bloc or to the re-appointment of any of the current members and it was unanimously RESOLVED that Mr Brent 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 R107,078,130. (Buildings valued at R90,684,578 and furniture, fittings and equipment valued at R16,393,552). It was unanimously RESOLVED that the insured value of the property be and is hereby approved at R107,078,130.

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 R4,240 (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 21 September 2024 until the next AGM of the Company, be and is hereby approved.

11 OTHER BUSINESS

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

Together with a slide show presentation, the General Manager of Drakensberg Sun Resort, Mr Pranesh Sukhdeo presented an overview of the following achievements, projects and results during the 2023 year:

- BBBEE status: Level One Contributor;
- Energy consumption year-on-year: saving of 5%;
- Water consumption year-on-year: loss of 19%. A major underground water leak was resolved;
- Organisational Resilience Management Services ("ORMS") audit: 98%;
- Tripadvisor awarded 4th best property in the Drakensberg Valley;
- Awarded 4-Star Tourism Grade Resort;
- Awarded RCI Gold Crown Resort; and
- Guest satisfaction feedback: RCI 88%; Booking.com 82%, Tripadvisor 71% and Google 88%.

Corporate Social Investment ("CSI") included:

- Loskop School for Disabled Children: A new initiative to improve the sports facilities. The resort allowed the learners to practice on its tennis courts as one student was a Kwa-Zulu Natal tennis champion. The school also received donations of written-off linen throughout the year;
- uMfolozi Creche: Completed minor repairs to the creche and help establish a vegetable garden on Nelson Mandela Day;
- uMfolozi Creche: Visited by the SA Rugby Legends Organisation that also donated food items and stationery;
- SA Rugby Legends Organisation: Through the resort's CSI programme, 1000 bags of maize meal were entrusted upon the Committee to distribute within community in need;
- Childhood Cancer Foundation South Africa ("CHOC") and Cancer South Africa: Fundraising;
- National Environmental Days: Created awareness and encouraged staff and guest participation;
- Entrance road: Monthly clean-up events; and
- Environmental Initiatives: Participation in various celebratory Days and fire breaks were created around the property to prevent damage from a run-away fire.

Drakensberg Sun Chalets Share Block Proprietary Limited

Property improvements and upgrades included:

- New swimming pool cushions;
- Reinstatement of the Ellis Pond after the flood damage;
- Introduction of kayaks as an additional activity on the dam;
- Re-introduction of Trout in the dam for fly fishing activities;
- Upgrade of the storm water drains;
- Reinstatement of the wooden walkway bridge for the Blue Grotto hike;
- Replacement of the water valves to the main reservoir supplying water to the property;
- Upgrade of walkways to reduce muddy footpaths;
- Ongoing refurbishment of the chalets. Comparative slides of the old and new designs were shown. 12 Chalets were completed with 18 outstanding; and
- Upgrade of dam spillway.

Mr Sukhdeo shared that the Drakensberg Boys' Choir had entertained a tour group staying at the resort and the event was greatly appreciated. Two zebras had been on the property for over 6-months. They appeared to be quite tame and no incidents or issues had been reported. Guests enjoyed their presence. The 2024-year closed with Father Christmas visiting the property and entertaining the children on Christmas Day.

Mr Goga raised concern about monkeys and baboons approaching smaller guests and entering units at Drakensberg Sun. He wished to add that the refurbished chalets now included unsuitable choices for the dining room table and chairs. The chairs were cumbersome and awkward to move due to their size. The project team should reconsider the table and chairs in the next refurbishment project. Mr Sukhdeo agreed that the monkeys and baboons were a problem at the resort and in the area at large. Residents in the area were discussing the best possible solution as it affected so many properties and the team at Drakensberg Sun Resort was communicating directly with KZN Wildlife and Wildlife South Africa. A special unit from Pretoria had visited the resort to assess the situation and thus far, one consideration was to relocate three of the more troublesome baboons. The resort offered to facilitate a presentation given by KZN Wildlife to address all Drakensberg residents and give guidance on what smaller measures can be done. While staff utilised the water spray bottles, the water was no longer as effective, and two security guards were now dedicated to patrol the property and to chase off baboons and monkeys when seen.

It was not easy making a chalet or apartments baboon and monkey-proof as the few remedial ideas and works had not proven successful however, the sliding doors were set to be tougher to open and close and chains were being attached so that the doors could be left ajar but not wide enough for an animal to enter. Mr Goga enquired whether a type of mesh could be installed across the windows. Mr Pranesh replied that mesh was ineffective, and Ms McMillan added that baboons pushed through the mesh and they broke the American shutters on the windows when they wanted to gain entry to a unit. She supported the involvement of KZN Wildlife so that the approach and removal of any troops be carried out correctly and safely.

In closing, Mr Sukhdeo stated that the issue with the dining room table and chairs would be raised with the design team for future consideration.

12 CLOSURE

There being no further business the Acting Chairman thanked all for their attendance and thanked all teams for another successful year. He declared the meeting closed at 11h05.



Chairman

