

Sabie River Share Block Proprietary Limited

Registration No. 1963/003920/07

Annual Report

for the year ended 31 December 2022

Sabie River Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2022

COMPANY INFORMATION

Registration number: 1963/003920/07
Registered address: Nelson Mandela Square
4th Floor, South Tower
Cnr 5th and Maude Streets
Sandton
2196
Postal address: Private Bag X200
Bryanston
2021

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

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

Minutes of the Previous Annual General Meeting 25 - 27

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

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2022



Our 2022 year has thankfully been less tumultuous than the previous 2 years mainly due to the declining outbreak of the world-wide Covid-19 pandemic and the eradication of restrictions on local and international travel. 2022 ended the year on a positive note with an influx of holidaymakers to all of our coastal and inland holiday destinations.

It has been wonderful to see our property regain its business and create the enjoyment and relaxation that shareholders and guests deserve and appreciate.

My brief overview of the last year is as follows:

Resort facilities

As the worldwide Covid-19 pandemic has now receded, our resort facilities, offerings and entertainment programmes are again in full swing. We have successfully reintroduced the weekly bird walk with our newly appointed guide, Marius Brundyn, who is a seasoned nature lover, botanist and birder.

Our golf course greens unfortunately required extensive remedial work over the year as a result of the compaction of the sand following the previous upgrade. A major verti draining, hollow tining and re-seeding project was undertaken during the year, resulting in slow but positive results. The remedial work will continue into 2023. Further golf course improvements include the installation of additional golf cart paths at the 6th, 15th and 17th tee boxes.

The resort experienced unique weather patterns changes with unseasonal rainfall being experienced in many months as in comparison to previous years and numerous intense storms, randomly across the year. The rainfall from January, right through to May, unfortunately further disrupted the greens rehabilitation process. The intense storms often developed in the afternoons and in many instances carried in excess of 50-80 mm rain, in 1 to 2-hour bursts. This saw numerous trees across the resort being uprooted, sand being washed out of bunkers, smaller dams overflowing and water pooling on the fairways. This resulted in the suspension of the use of golf carts on occasions and in some instances the closing of the course.

Our project to install a second weir at the car bridge before the hippo dam is progressing slowly but positively, as we have now received approval on the project from the required authorities, and our water usage license application is being processed. Once this has been confirmed, we will be able to move into the construction phase. This second weir will provide further protection from the silt flowing down the Langspruit River into the hippo dam.

Our capital expenditure projects completed for the year include the following:

- Resurfacing of the main swimming pool and two of the alternate chalet swimming pools;
- The completion of the patio roof refurbishment project;
- The completion of the chalet braai refurbishment;
- The completion of repairs to the collapsed hippo walkway;
- Upgrade of the sewerage plant structure and the satellite sewerage sumps along the 16th fairway and in front of chalet 70;
- The phased project of replacing the chalet heat pumps has been commenced and should be completed in 2023;
- The installation of steps and handrails at the Golf Club terrace; and
- The de-silting of the Langspruit River.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2022

Financial results for the year ended 31 December 2022

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

The statement of comprehensive income for the year ended 31 December 2022 as set out on page 13 in this annual report reflects a surplus of R18.253m (2021: R21.733m) after taxation, which was transferred to the reserve for property, plant and equipment.

Income

Income (excluding net finance income) increased by 1.5% compared to 2021, primarily due to the decrease in proceeds on sale of capital assets by R360k. Management continues to seek ways of increasing revenue, particularly through rental pool and short-term rental options.

Expenditure

Total expenditure for the year was R31.048m (2021: R25.908m) which reflected an increase of 20%. Major expense variances are as follows:

- **Rooms** – expenditure increased year-on-year by 4% which was in line with CPI;
- **Administration and general** – expenditure increased by 100% in comparison to the prior year. The majority of this increase was due to the R990k increase in the provision for debtors, relating to the repossessed weeks still on hand at year-end, and the R286k increase in subscriptions for CSOS subscriptions due for the period 2017 to 2022;
- **Electricity, water, and refuse** – the overall increase of 48% in comparison to the prior year relates to the increase in fuel costs for the generators as a result of increased load shedding;

- **Repairs and maintenance** – expenditure was up on 2021 by 96% due to the reintroduction of the chalet maintenance care program which increased by R685k and the R848k increase in major repairs and maintenance;
- **Estate maintenance** – expenditure showed a decrease against 2021 with a reduction in golf course subscriptions as a result of an increase in 2021 to fund the replacement of the golf club carts;
- **Capital charges** – expenditure recorded a saving of 46% year-on-year following a write-back of an over-provision in Company costs in 2022;
- **Personnel costs** increased by 26% against 2021 due to an adjustment to the leave pay provision as all staff being back on full pay and the re-instatement of contributions to retirement funds and the payments of bonuses in 2022; and
- **Management fee** – the 5% increase was in line with CPI.

Statement of financial position

The statement of financial position, reflected on page 14 together with the related notes thereto, represents the financial position of the Company as at 31 December 2022. The reserve for property, plant and equipment increased to R38.074m from R29.170m. Total capital expenditure was R9.349m (2021: R17.143m) while cash and cash equivalents amounted to R11.280m (2021: R13.710m). Fixed deposits held with bank increased to R41.194m compared to R31.149m in 2021.

The following major capital expenditure was incurred during the year:

Heat pumps	2,184,601
Patio roof and chimney waterproofing	1,096,737
Staff areas	1,036,408
Pendant lights	760,304
Hot water system	649,454
Jacobsen TR 3 mower	600,000
Roof - sewerage plant	387,674
Club Carts - housekeeping and maintenance	321,618
Sewerage sump pump	289,914
Laundry tumble dryers	278,365
Fire sealing	243,522
Roof works waterproofing	194,703
Braai pans and grills	191,360
Fire pump	149,622
Golf course improvements	120,584

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2022

Vacation ownership association of Southern Africa ("VOASA")

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

General

I encourage every shareholder to either attend or register online for this year's annual general meeting, to be held on 20 July 2023. Should you find yourself unable to attend in any capacity, I further encourage you to complete the form of proxy on Page 5.

Conclusion

In closing, I thank my fellow Directors for their commitment, insight and dedication in serving the interests of all shareholders and I extend my gratitude and appreciation to our management and support team. The success of our resort relies heavily on the outstanding service provided by our friendly and hospitable staff members who keep our "piece of heaven" operating so efficiently.

Thank you and I wish you all a prosperous year ahead.



Marcel von Aulock
Chairman

Notice is hereby given to the shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Thursday, 20 July 2023, at 10h30 at Southern Sun Hyde Park, 1st Road, Hyde Park, Sandton** for the purposes of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary and special resolutions set out hereunder, and considering any other matters raised by shareholders at the AGM.

1. Receipt and adoption of annual financial statements and reports

Ordinary resolution 1: Resolved as an ordinary resolution to receive and adopt the Annual Financial Statements of the Company for the financial year ended 31 December 2022, together with the reports of the Directors, the independent auditors thereon, and further to receive the reports of the audit committee and the social and ethics committee contained in the annual report of the Company for the financial year ended 31 December 2022, and tabled at the meeting at which this resolution was proposed.

2. Appointment of auditors

Ordinary resolution 2: Resolved as an ordinary resolution upon the recommendation of the Board that BDO South Africa Incorporated ("BDO") be and are hereby 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 thirteen Directors in number, the "A" and "C" class shareholders together being entitled to appoint four Directors, the "D" class shareholders being entitled to appoint two Directors and the "B" class shareholders being entitled to appoint the remaining Directors. The "D" class shares have not been issued. The other Directors currently in office and appointed by the "B" class shareholders are Messrs Jacobus Boshoff, Johannes van Rooyen, Darren Park, Peter Pienaar, Marcel von Aulock and Ms Samantha Croft. It would facilitate secretarial procedures if **nominations for the appointment of those Directors representing the "A" and "C" class shareholders be received by no later than 10h30 on Tuesday, 18 July 2023 at the registered office of the Company or email address. Nominations must be in writing with the name of the proposer and seconder and be accompanied by the acceptance of such nomination by the nominee and their curriculum vitae ("CV").**

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

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

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

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

4. Appointment of audit committee

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

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

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

5. Approval of insured value of property

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

6. Non-executive Directors' fees

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.

Special resolution 1: It is noted that an amount of R7,400 for non-executive Directors fees was approved at the previous AGM for the year until 20 July 2023. Resolved as a special resolution that the fees remain unchanged at R7,400 (vat payable, to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors of the Company and as members of sub-committees, per meeting or cluster of meetings, in respect of the period from 21 July 2023 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 four 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, 21 July 2023 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 Thursday 13 July 2023.

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 Tuesday, 18 July 2023. A form of proxy is enclosed on page 5 for this purpose.**

Sabie River Share Block Proprietary Limited
 Registration Number: 1963/003920/07
 ("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, 20 July 2023 at 10h30 at Southern Sun Hyde Park, 1st Road, Hyde Park, Sandton.**

Form of proxy

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

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

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

	In Favour Of	Against	Abstain
Ordinary resolution 1: Receipt and adoption of annual financial statements and reports - Year ended 31 December 2022			
Ordinary resolution 2: Appointment of auditors			
Ordinary resolution 3: Election of Directors			
3.1 Raymond Jeffray			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
3.4 Antonio Rossetti			
Ordinary resolution 4: Appointment of audit committee			
4.1 Ajith Ramsarup			
4.2 Anthony Ridl			
4.3 Antonio Rossetti			
Ordinary resolution 5: Insured value of property			
Special resolution 1: Non-executive Directors' fees (R7,400)			

Signed at this day of 2023.

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 Tuesday, 18 July 2023.

Sabie River Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2022

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

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

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

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

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

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

Approval of annual financial statements

The annual financial statements set out on pages 13 to 22 were approved by the Directors on 23 May 2023 and are signed by:



MN Von Aulock
Chairman



AB Ramsarup
Director (chairman - audit committee)

Declaration by the company secretary

I hereby confirm in my capacity as company secretary of Sabie River Share Block Proprietary Limited, that for the year ended 31 December 2022, the Company has filed all required returns and notices in terms of the South African Companies Act 71, of 2008, and that all such returns and notices are to the best of my knowledge and belief, true, correct and up to date.



MJ Mahloele
For Southern Sun Secretarial Services Proprietary Limited

Sabie River Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2022

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 Anthony Ridl, Mr Ajith Ramsarup (Chairman) and Mr Antonio Rossetti.

2. Frequency of meetings

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

3. Attendance

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

4. Duties of the audit committee

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

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

5. Independence of external auditors

The audit committee is satisfied that the external auditors are independent of the Company, as set out in section 94(8) of the Companies Act. Requisite assurance is provided by the auditors that internal governance processes within the audit firm both support and demonstrate its claim to independence.



AB Ramsarup
Chairman
22 May 2023

Sabie River Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2022

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

Composition and functioning

The committee comprises four Directors, namely: Ms Samantha Croft and Messrs. Raymond Jeffray, Johannes ("John") van Rooyen and Peter Pienaar. All Directors are welcome to attend committee meetings that take place twice a year. I was again elected Chairman of the committee and my fellow staff members assist the committee wherever possible.

Role of the committee

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

Social and economic development

The committee again worked in collaboration with Pine Lake Resort to increase the efforts and impact of assisting our local community. An ongoing initiative has been to refurbish onsite residences at Michael's Children's Home, a local safe-haven for children who have been separated from their parents. The committee is proud to report that the children's home now has two fully refurbished houses that has improved their standard of living tremendously. The committee and the committee of Pine Lake Resort will continue this collaboration for other initiatives and support.

In addition, the committee donated written-off cutlery, crockery, linen, pillows, towels and blankets to Soli-Deo-Gloria, an organisation that distributes to various institutes such as homes for the aged, homes for disadvantaged children and homes for victims of abuse. The value of the committee's total corporate social investment ("CSI") contribution in 2022 amounted to R309k.

Great support was received from staff and guests of the resort for the annual CANSA Shavathon and the South African National Blood Services ("SANBS") blood drive. Other CSI initiatives such as Arbor Day, Slipper Day, Earth Hour and Flip-Flop Day were also enthusiastically supported.

Corporate citizenship – CSI

The committee has a strong regard for corporate citizenship that highlights its social, cultural and environmental responsibility and sustainability. Local CSI initiatives are not only supported through donations of time and written-off operating equipment, but also through training and guidance, and the institutes and facilities are mentored to achieve operational sustainability.

Environmental, health & public safety

The committee ensures that the property's energy, water and waste programmes are effective and constantly strive to reduce its carbon footprint wherever possible. The committee has recorded continual growth of the resort's on-site recycling efforts, thus reducing its contribution of waste to landfill sites. A further upgrade of the refuse area is planned for early 2023.

Energy and water consumption is monitored through a live system that automatically updates and advises management of any potential and/or actual wastage taking place. The system assists in tracking trends of usage of the resources and highlights the best time for optimal use and cost effectiveness. Abnormal activities that deviate from the targets set for the resort are highlighted and acted on immediately. This system has greatly aided our teams in locating underground water leaks, making it possible to isolate and remedy these before they incur loss to the resort.

The resort continues its association with the non-profit organisation, the Greater Kruger Alley Cats Initiative, that cares for rescue animals. The aim of their project is to also actively control the feral domestic cat population through a trap, neuter and release programme. The resort and the group have so far managed to sterilize 19 domestic cats.

Organisational resilience management system ("ORMS")

ORMS, implemented by the Southern Sun Group throughout its properties, is a comprehensive management system that records and plans systems relating to fire protection, safety, security, business continuity, environmental impact, risk analysis and the effects of these on the business. This management system is updated quarterly and audited by Southern Sun on an annual basis. Sabi River Sun Resort achieved 95.2% in its final audit for 2022.

Guest relations & correspondence

Guest satisfaction remains of the utmost importance to our resort. GuestRevu survey feedback is carefully monitored, managed and responded to by staff. Other feedback platforms that are monitored include Facebook, TripAdvisor, RCI, Booking.Com and Google Reviews. The committee is pleased to advise that Sabi River Sun Resort again won the TripAdvisor Travelers' Choice Award and was awarded 4th position in the Annual Booking.com Travelers' Review Awards.

Labour, employment and relations, training and BBBEE

The Company complies with the Labour Relations Act of South Africa. All staff members are treated equally and employee engagement is continually monitored. Our staff members are one of the most valued assets of our resort.

Management assists in developing, maintaining and improving employee relationships through communication, performance management, employment equity meetings, processing of grievances and/or disputes. Staff are trained and further developed where possible, and staff who have leadership potential are encouraged to enroll in supervisory development programmes.

Due to the availability and efficiency of online training programmes, participation has increased substantially.

Under the Southern Sun Resorts portfolio, Sabie River Sun Resort proudly holds a level one BBBEE certificate status.

Strategic plans

A number of improvement projects were undertaken in 2022 and include: installation of stairs and handrails on the golf club terrace; resurfacing of two swimming pools; upgrade of chalet patio roofs and braais; inversion of the chalet pendant lights; replacement of the collapsed hippo walkway; remedial work to the gabion wall at the dam; upgrade of fire pumps and ongoing replacement of chalet heat pumps.

Administrative progress has been made on the second weir project and the Board has received approval on the detailed environmental impact assessment report that was submitted to government. Management and the Board are now in the process of obtaining the necessary water usage license and as soon as approval is received, the construction phase of the project will commence.



MJ Bone
Chairman

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2022

The Directors present their annual report of the Company for the year ended 31 December 2022.

1 Business activity

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

1. Shares are issued in predefined blocks 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 owners to make loans to the Company; and
3. Obligations on share block owners to contribute levies to enable the Company to defray its expenditure.

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

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

2 Financial results

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

In accordance with the provisions of the Share Blocks Control Act and in common with other timeshare operations in South Africa, the Company has since its inception as a share block company, raised an annual levy making a provision for the maintenance and upkeep of the property. Asset replacement costs and additions to property, plant and equipment have been charged annually against this amount. Before providing for property, plant and equipment additions and replacements, a surplus of R18,252,653 (2021: R21,732,573) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2021: R Nil).

3 Share capital

The authorised and issued share capital has remained unchanged.

4 Insurance

The chalet and hotel buildings and its contents, dam wall and bridges are insured at current replacement values under an all-risk policy. In addition, Sasria (Riot) cover has been arranged for the sum insured. The Company does not insure personal belongings of the individual timesharers. The Company does not guarantee the provision of alternative accommodation in the event of a disaster and does not take out insurance for this.

5 Directors and secretary

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

Representing "A" and "C" class shareholders

RDT Jeffray ^
AB Ramsarup * (Alternate N Beekman)
AN Ridl * (Alternate MN Ridl)
AN Rossetti *

Representing the "B" class shareholders

PJ Boshoff
SJ Croft
DA Park
PM Pienaar ^
MN Von Aulock Chairman
JPF van Rooyen ^

* Audit committee members

^ Social and ethics committee members

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2022

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 ("SSHI"), of which Mr PJ Boshoff is a Director.

7 Material events after year-end

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

8 Holding company

The holding company is SSHI, a company registered in the Republic of South Africa. The ultimate holding company is Southern Sun Hotels Limited, a company registered in the Republic of South Africa.

9 Subsidiary

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

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

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

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

To the shareholders of Sabie River Share Block Proprietary Limited

Opinion

We have audited the financial statements of Sabie River Share Block Proprietary Limited (the company) set out on pages 13 to 22, which comprise the statement of financial position as at 31 December 2022, 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 Sabie River Share Block Proprietary Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sabie River Share Block Proprietary Limited Annual Report for the year ended 31 December 2022", 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Inc

BDO South Africa Incorporated

Registered Auditors

Leanne Laxson

Director

Registered Auditor

23 June 2023

5A Rydall Vale Office Park

38 Douglas Saunders Drive

La Lucia, 4051

Sabie River Share Block Proprietary Limited

Statement of Comprehensive Income - "A" and "C" Class Shareholders for the Year Ended 31 December 2022

	Note	2022 R	2021 R
Income		47 621 055	46 908 516
Levy income		46 725 336	45 511 075
Other income		895 719	1 397 441
Expenses		(31 048 171)	(25 907 910)
Levy surplus before interest and taxation	3	16 572 884	21 000 606
Net finance income	4	2 306 696	1 151 256
Levy surplus before taxation		18 879 580	22 151 862
Income tax expense	5	(626 927)	(419 289)
Levy surplus for the year		18 252 653	21 732 573

Statement of Comprehensive Income - "B" Class Shareholders for the year ended 31 December 2022

	2022 R	2021 R
Revenue		
Levy income	161 639	152 391
	161 639	152 391
Expenses		
Audit fees	6 450	6 000
Rates	155 189	146 391
	161 639	152 391
Levy surplus for the year	-	-

Sabie River Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2022

	Notes	2022 R	2021 R
ASSETS			
Current assets			
Trade and other receivables	6	9 410 474	8 074 191
Levies receivable	7	1 659 763	2 533 582
Fixed deposits held with bank	12	41 194 064	31 148 813
Cash and cash equivalents	13	11 279 940	13 709 825
Total current assets		63 544 241	55 466 411
Total assets		63 544 241	55 466 411
EQUITY			
Capital and reserves			
Share capital	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders	8	38 074 009	29 170 380
Total equity		38 087 935	29 184 306
LIABILITIES			
Current liabilities			
Trade and other payables	9	9 479 349	10 349 866
Levies received in advance	14	15 355 900	14 948 983
Current tax liabilities		621 057	983 256
Total current liabilities		25 456 306	26 282 105
Total liabilities		25 456 306	26 282 105
Total equity and liabilities		63 544 241	55 466 411

Statement of Changes in Equity for the Year Ended 31 December 2022

	Notes	2022 R	2021 R
Share capital			
131,770 - "A" Class ordinary shares of 1 cent each		1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each		11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each		638	638
Ordinary shares at beginning and at year-end	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders			
At beginning of year		29 170 380	24 580 765
Levy surplus for the year		18 252 653	21 732 573
Property, plant and equipment additions and replacements during the year	8	(9 349 024)	(17 142 958)
At year-end		38 074 009	29 170 380

Sabie River Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2022

	2022 R	2021 R
Cash flow from operating activities		
Levy surplus before taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	18 879 580	22 151 862
Adjustments for		
Net interest received	(2 306 696)	(1 151 256)
Net surplus before working capital changes	16 572 884	21 000 606
Changes in working capital		
Movement in levies receivable	873 819	(490 490)
Movement in trade and other receivables	(1 336 283)	258 189
Movement in levies received in advance	406 917	3 767 273
Movement in trade and other payables	(870 517)	439 013
Cash flows from operating activities	15 646 820	24 974 591
Net interest received	2 306 696	1 151 256
Tax paid	(989 126)	(1 051 186)
Net cash inflow from operating activities	16 964 390	25 074 661
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(9 349 024)	(17 142 958)
Movement in fixed deposits held with bank	(10 045 251)	-
Net cash outflow from investing activities	(19 394 275)	(17 142 958)
Net movement in cash and cash equivalents	(2 429 885)	7 931 703
Cash and cash equivalents at beginning of year	13 709 825	5 778 122
Cash and cash equivalents at year-end	11 279 940	13 709 825

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

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

1.1 Basis of preparation

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

The accounting policies are consistent with previous periods.

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

1.2 Reserve for property, plant and equipment

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

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

All proceeds on the 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 flow at cost.

1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

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

Sundry revenue is recognised when it is earned.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

1.7 Provisions

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

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

1.8 Equity

Ordinary shares are classified as equity.

1.9 Current taxes

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

1.10 Retirement benefits

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

2 Financial risk management

Capital management

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

Financial risk factors

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

Liquidity risk

In terms of the use 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.

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

Credit risk

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

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

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

Interest rate risk

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

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

	2022 R	2021 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	5 266 610	4 360 636
Contributions to retirement funds	207 957	-
Management fees	2 737 269	2 617 935
Audit fees	165 415	142 278
Legal and professional fees	92 187	26 221
Other operating expenses	22 578 733	18 760 840
	31 048 171	25 907 910
4 Net finance income		
Interest income earned on fixed deposits, call deposits and current account	2 307 230	1 151 256
Interest paid	(534)	-
	2 306 696	1 151 256
5 Income tax expense		
Provision is made for Company taxation on the net non-levy income of the levy fund.		
No tax is payable on levy income from the shareholders in terms of section 10(1)(e) of the Income Tax Act.		
Current year	621 054	419 289
Prior year under provision	5 873	-
	626 927	419 289
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on their net non-levy income.		
The holder of the "B" class shares has, in terms of the memorandum of incorporation, indemnified the holders of the "A", "C" and "D" class shares against payment of taxation which may arise on income derived from the hotel property trading operations or on the distributable reserves of the Company. This indemnification does not apply to contributions made by the holders of the "A", "C" and "D" class shares to the levy fund or income from the investment of such contributions.		
6 Trade and other receivables		
Trade receivables	93 597	101 341
Other receivables (refer note 16)	195 142	85 202
Receiver of Revenue - Vat	2 994 118	778 557
Prepayments (refer note 16)	5 503 304	4 832 659
Sabi River Sun Golf Club (refer note 16)	-	2 069 713
Interest receivable	624 313	206 719
	9 410 474	8 074 191
7 Levies receivable		
Levy debtors	773 716	1 525 178
Repossessed debtors	2 592 851	1 725 378
Provision for repossessed debtors	(1 706 804)	(716 974)
Opening balance	(716 974)	(723 353)
Movement	(989 830)	6 379
	1 659 763	2 533 582

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

	2022 R	2021 R
8 Reserve for property, plant and equipment - "A" and "C" class shareholders		
At beginning of year	29 170 380	24 580 765
Levy surplus for the year	18 252 653	21 732 573
	47 423 033	46 313 338
Property, plant and equipment additions and replacements during the year	(9 349 024)	(17 142 958)
At year-end	38 074 009	29 170 380
<p>The Directors have reviewed a forward estimate, prepared by management, of the costs of property, plant and equipment additions and replacements over the next 10 years.</p> <p>The Directors have approved capital expenditure for 2023 of R42,186,977 (2021: approved R21,687,900 for 2022) which is anticipated to decrease the reserve fund by R22,739,496 (2021: decrease by R3,680,973 in 2022). There were capital commitments made for R970,484 at year-end (2021: R696,366).</p>		
9 Trade and other payables		
Trade payables (refer note 16)	17 944	85 512
Sundry payables (refer note 16)	803 666	495 360
Accruals (refer note 16)	1 530 334	1 751 536
Provision for auditor's fees	128 620	141 349
Sabi River Sun Golf Club (refer note 16)	240 286	-
Southern Sun Hotel Interests Proprietary Limited (refer note 16)	6 758 499	7 876 109
	9 479 349	10 349 866
10 Property, plant and equipment		
<p>The Company complies with the SAICA Guide on Financial Reporting for Share Block Companies with respect to the treatment of property, plant and equipment. In terms of the SAICA Guide the right of use of property vested with the shareholders, has been offset against the loan from shareholders with the balance transferred to the reserve for property plant and equipment.</p> <p>Land and buildings comprise the following property: Portion 20 of "Perry's Farm" No 9, White River, with hotel buildings thereon; Portion 25 of "Perry's Farm" No 9, White River; Portions 20 and 25 have been consolidated into Portion 26 of the farm "Perry's Farm"; and Subsidiary's land consisting of Portions 27 and 31 (a consolidation of Portion 28 and 29) of the farm "Perry's Farm" No 9, White River.</p> <p>Land and buildings were originally purchased for R19,661,853 and are not recognised. Although the Company has legal title to the property it effectively only owns the bare dominium over the property that is considered to be of no value. The property is currently valued by the municipality at R37,208,000 for rates purposes. There are no bonds on the property.</p>		
11 Share capital		
Authorised		
Ordinary shares		
133,000 - "A" Class ordinary shares of 1 cent each	1 330	1 330
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
152,000 - "C" Class ordinary shares of 1 cent each	1 520	1 520
114,000 - "D" Class ordinary shares of 1 cent each	1 140	1 140
	15 960	15 960
Issued		
Ordinary shares		
131,770 - "A" Class ordinary shares of 1 cent each	1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each	638	638
	13 926	13 926

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

	2022 R	2021 R
11 Share capital (continued)		
Voting rights		
The "A", "B", "C" and "D" class shares have equal voting rights.		
Dividends		
Only the "B" class shareholders have the right to dividends.		
Winding-up		
In terms of the memorandum of incorporation, should the Company be wound up and have funds remaining for distribution to shareholders, after paying all liabilities other than the loan obligation, the liquidator shall obtain a separate valuation for the land, hotel buildings and chalets.		
An amount equal to the fair value of the land will be distributed to the holder of the "B" class shares. The balance available for distribution will be distributed to the holders of the "A", "B", "C" and "D" class shares in the proportion of the values of the chalets and the hotel buildings respectively. Such distribution will be deemed to firstly discharge the shareholders loan and thereafter, a liquidation dividend.		
Unissued shares		
In terms of an option, the unissued "A", "C" and "D" class shares may be subscribed for by Southern Sun Hotel Interests Proprietary Limited ("SSHI") prior to the development of additional chalets on the Company's property.		
12 Fixed deposits held with bank		
Fixed deposits held with bank	41 194 064	31 148 813
13 Cash and cash equivalents		
Bank balances	11 279 940	13 709 825
14 Levies received in advance		
Levies received in advance	15 355 900	14 948 983
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.		
15 Capital commitments		
The Company is responsible for a portion of the annual subscriptions of the Sabi River Sun Golf Club and during the year contributed R2,516,760 (2021 : R2,937,965). This expense is reflected under estate maintenance in the "A" and "C" class shareholders' statement of comprehensive income.		
16 Related party transactions		
The operations of the Company are managed by SSHI. The Company is charged the following fees in terms of the management agreement:		
Short-term rentals	15 115	43 690
Rental pool	92 909	87 737
Management fee	2 737 269	2 617 935
Central accounting and levy collection fees	254 921	243 112

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

	2022 R	2021 R
16 Related party transactions (continued)		
Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. On behalf of the Company, SST provides a rental service and recovers levies from the sale and rental of timeshare weeks. During the financial year the Company received the following fee in terms of the management agreement:		
Commission on resale and rental of weeks - SST	(53 701)	(45 640)
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	(32 174)	(36 596)
Secretarial fees on repossessed debtors and use agreement fees - SRMS	56 243	37 878
During the financial year the Company paid the following internal charges to SSHI:		
Administration - Information technology, procurement, etc	358 933	335 550
Most expenses of the Company are paid by Sabi River Sun Hotel, a division of SSHI, and reimbursed by the Company.		
In addition, certain costs are incurred by SSHI in terms of contracts negotiated on behalf of members of the Southern Sun Group, including the Company. These costs that include insurance and certain maintenance and operating lease contracts, are recovered from the Company via Sabi River Sun Hotel.		
Due (to)/by SSHI and its subsidiaries:		
Included in trade payables (refer note 9)	-	(85 512)
Included in sundry payables (refer note 9)	-	(19 940)
Included in accruals (refer note 9)	(14 617)	(193 992)
Owing to SSHI (refer note 9)	(6 758 498)	(7 876 108)
Included in other receivables (refer note 6)	21 210	20 585
Included in prepayments (refer note 6)	345 948	-
	(6 405 957)	(8 154 967)
Sabi River Sun Golf Club, related through common directorship, was paid annual subscriptions by the Company as follows:		
Subscriptions	2 516 760	2 937 965
Due (to)/by Sabi River Sun Golf Club:		
Due by Sabi River Sun Golf Club (refer note 6)	-	2 069 713
Due to Sabi River Sun Golf Club (refer note 9)	(240 286)	-
	(240 286)	2 069 713
Balances due (to)/by the following entities, related through common directorship, as follows:		
Drakensberg Sun Chalets Share Block Proprietary Limited - included in other receivables (refer note 6)	-	1 018

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2022

16 Related party transactions (continued)

	Number of units	Levies paid R	Levies received in advance R
SSHl owns units in the Company as follows:			
SunSwop (a division of SSHI) - 2022 shareholding	9	86 760	20 380
SunSwop (a division of SSHI) - 2021 shareholding	9	82 710	19 280

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

2022 - shareholding

AB Ramsarup - The Leisure Holiday Club	91	877 240	427 980
AN Ridl - Club Leisure Group	166	1 655 190	1 228 970

2021 - shareholding

AB Ramsarup - The Leisure Holiday Club	91	836 290	404 880
AN Ridl - Club Leisure Group	166	1 608 320	767 380

17 Directors' emoluments

For their services to the Company, non-executive 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. All costs relating to Messrs Boshoff, Park, Pienaar, van Rooyen, von Aulock and Ms Croft are borne by Southern Sun.

	2022 R	2021 R
Directors' emoluments paid for the year:		
RDT Jeffray	29 600	29 600
AN Rossetti	29 600	29 600
JPF van Rooyen	29 600	22 200
	88 800	81 400

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2022

	2022 R	2021 R
INCOME		
Levies	46 725 336	45 511 075
Rental pool	95 746	95 746
Short-term rentals	208 817	379 528
Sale of capital assets	128 878	489 296
Sundry income		
- telephone, rentals, penalties, etc.	462 278	432 871
	47 621 055	46 908 516
EXPENDITURE		
Rooms expenses		
Cleaning supplies	194 561	137 398
Covid-19 supplies	-	10 425
Guest entertainment - DSTV, videos, cocktails, games and prizes	444 536	348 067
Guest supplies	226 981	120 444
Laundry	674 971	660 073
Personnel costs - outside services	3 391 141	3 379 983
Pest control	59 665	81 150
Printing and stationery	169 160	118 674
Replacement of cutlery, crockery, linen, towels, uniforms, etc.	558 108	451 730
Security services	2 346 528	2 436 384
	8 065 651	7 744 328
Administration and general		
Auditors' remuneration		
- current year	128 620	141 349
- expenses	36 795	929
Bank charges	19 017	19 891
Central accounting and levy collection fees	254 921	243 112
Corporate social initiatives	65 622	32 500
Credit card commission	151 595	158 412
Directors' emoluments	88 800	81 400
Information technology costs	747 082	519 846
Insurance		
- premiums	543 233	373 319
- excess	13 323	8 500
Licences and permits	93 539	87 715
Legal fees	-	26 221
Loss on repossessed debtors	228 581	69 421
Marketing	-	42 763
Postage	-	4 732
Professional fees	92 187	-
Provision for repossessed debtors	989 830	(6 379)
Railage, cartage and hire transport	8 204	797
Subscriptions	345 720	59 777
Telephone	22 603	5 811
Travel - management and Directors	64 359	44 404
Vehicles - fuel and oil	154 943	110 971
	4 048 974	2 025 491

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2022

	2022 R	2021 R
Electricity, water and refuse		
Electric bulbs	117 206	134 202
Electricity	2 119 258	1 689 269
Generator fuel	631 532	109 203
Sewerage	87 706	32 530
Water	33 467	48 383
	2 989 169	2 013 587
Repairs and maintenance		
Airconditioning	127 509	130 868
Buildings	209 205	170 826
Electrical and mechanical	357 883	356 981
Tools	9 805	7 936
Fire equipment	-	66 198
Furniture and fixtures	765	26 056
Major repairs and maintenance	1 018 457	170 213
Painting and redecorating	42 266	17 393
Plumbing and heating	125 966	234 013
Radio and TV	(3 948)	97 359
Room care	690 041	4 678
Swimming pool cleaning and repairs	133 789	105 671
Security fence	62 524	13 354
Vehicles	49 006	39 092
	2 823 268	1 440 638
Estate maintenance		
Gardens and grounds	2 055 804	2 147 216
Subscriptions - Sabi River Sun Golf Club	2 516 760	2 937 965
	4 572 564	5 085 181
Capital charges		
Annual report and statutory costs	(62 507)	164 457
Furniture and equipment leases	108 687	181 535
Municipal rates and taxes	290 529	274 122
	336 709	620 114
Personnel costs		
Rooms	1 990 899	1 548 059
Administration and general	1 800 683	1 583 797
Repairs and maintenance	1 682 985	1 228 780
	5 474 567	4 360 636
Management fee	2 737 269	2 617 935
Total expenditure	31 048 171	25 907 910
Excess of income over expenditure before finance income and taxation	16 572 884	21 000 606
Net finance income		
Net interest received	2 306 696	1 151 256
Excess of income over expenditure before taxation	18 879 580	22 151 862
Taxation		
Current year	621 054	419 289
Prior year under provision	5 873	-
	626 927	419 289
Excess of income over expenditure after taxation for the year transferred to the "A" and "C" class shareholders' reserve for property, plant and equipment	18 252 653	21 732 573

Sabie River Share Block Proprietary Limited

Minutes of the annual general meeting of shareholders for the year ended 31 December 2021, held on Wednesday, 20 July 2022 at 10h30 at Southern Sun Hyde Park Hotel, 1st Road, Hyde Park, Sandton and through the Microsoft Office Teams platform

1 WELCOME AND PREAMBLE

The Chairman of the Company Mr Marcel von Aulock representing the "B" class shareholders, welcomed all shareholders present to the meeting. The Chairman advised that the meeting had been convened in terms of the notice of the annual general meeting ("AGM"), dated 23 May 2022.

The Chairman welcomed all in attendance, both in person and online through the Microsoft Office Teams platform. He introduced his fellow Directors Ms Samantha Croft and Messrs. Jaco Boshoff, Darren Park, Peter Pienaar and Johannes ("John") van Rooyen representing the "B" class shareholders, as well as the non-executive Directors, Messrs. Raymond Jeffray, Ajith Ramsarup, Anthony Ridl and Antonio Rossetti representing the "A" and "C" class shareholders. Members of the management team and company secretariat team were duly welcomed.

The Chairman recorded an apology from the general manager of Sabi River Sun Mr Malcolm Bone, who had remained at the resort to prepare for the upcoming stay of the South African rugby team.

2 QUORUM

A number of shareholders had tendered their apologies for the meeting and had submitted their forms of proxy for voting purposes. The required quorum being present, being at least three shareholders present and holding at least 5% of the share capital inclusive of the "B" class shareholding, the Chairman declared the meeting duly constituted.

3 NOTICE OF MEETING

All shareholders present consented that the notice of meeting dated 23 May 2022 be taken as read.

4 VOTING

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

5 ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

ORDINARY RESOLUTION 1

Ordinary resolution 1 as set out in the notice convening the meeting, 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 2021. No questions or comments were recorded and it was unanimously RESOLVED that the annual financial statements for the year ended 31 December 2021 be and were hereby approved and adopted.

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

ORDINARY RESOLUTION 2

Ordinary resolution 2 related to the appointment of 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 was hereby appointed as the independent auditors of the Company.

7 DIRECTORS

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

7.1 ORDINARY RESOLUTION 3.1

Ordinary resolution 3.1 related to the election of Mr Raymond Jeffray as a Director. It was unanimously RESOLVED that Mr Raymond Jeffray be and was hereby re-elected as a Director of the Company.

Sabie River Share Block Proprietary Limited

7.2 ORDINARY RESOLUTION 3.2

Ordinary resolution 3.2 related to the election of Mr Ajith Ramsarup as a Director. It was unanimously RESOLVED that Mr Ajith Ramsarup be and was hereby re-elected as a Director of the Company.

7.3 ORDINARY RESOLUTION 3.3

Ordinary resolution 3.3 related to the election of Mr Anthony Ridl as a Director. It was unanimously RESOLVED that Mr Anthony Ridl be and was hereby re-elected as a Director of the Company.

7.4 ORDINARY RESOLUTION 3.4

Ordinary resolution 3.4 related to the election of Mr Antonio Rossetti as a Director. It was unanimously RESOLVED that Mr Antonio Rossetti be and was hereby re-elected as a Director of the Company.

8 APPOINTMENT OF AUDIT COMMITTEE

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

8.1 ORDINARY RESOLUTION 4.1

Ordinary resolution 4.1 related to the election of Mr Ajith Ramsarup as a member of the Company's audit committee. It was unanimously RESOLVED that Mr Ajith Ramsarup be and was hereby re-elected as a member of the Company's audit committee.

8.2 ORDINARY RESOLUTION 4.2

Ordinary resolution 4.2 related to the election of Mr Anthony Ridl as a member of the Company's audit committee. It was unanimously RESOLVED that Mr Anthony Ridl be and was hereby re-elected as a member of the Company's Audit Committee.

8.3 ORDINARY RESOLUTION 4.3

Ordinary resolution 4.3 related to the election of Mr Antonio Rossetti as a member of the Company's audit committee. It was unanimously RESOLVED that Mr Antonio Rossetti be and was hereby re-elected as a member of the Company's audit committee.

9 INSURED VALUE OF PROPERTY

ORDINARY RESOLUTION 5

As recommended by independent quantity surveyors Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property amounted to R501,673,317. The dam and golf course was valued separately at R63,340,539. The Southern Sun Group had negotiated the insurance policy and premium mainly through the brokerage of Marsh Insurance Company. It was RESOLVED that the insured value of the property be and was hereby approved.

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 three years and had not been 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 R7,400 (Vat payable, to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors and/or members of the sub-committees, per meeting or cluster of meetings in respect of the period from 21 July 2022 until the next AGM of the Company, be and was hereby approved.

Sabie River Share Block Proprietary Limited

11 OTHER BUSINESS

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

The Chairman invited Ms Croft to present on behalf of the resort's general manager, Mr Malcolm Bone. Together with photographic evidence, Ms Croft presented an overview of the following achievements and results during the 2021 year:

- BBBEE status of Level 3. The status however improved and returned to Level 1 since the restrictions of the Covid-19 pandemic had lifted;
- The resort was compliant with the comprehensive procurement policies of Southern Sun;
- The corporate social investment ("CSI") spend of R315,078 was achieved;
 - Cansa Shavathon event raised R7k for the foundation;
 - Michael's Children's Home, in collaboration with the Pine Lake Resort's social and ethics committee, underwent repairs and renovations to the value of R22,500 per property contribution;
- Staff training activities resumed and was completed mainly through online platforms;
- Organisational Resilience Management Services ("ORMS") results: 92.8%;
- Energy, water and gas consumption in 2021 was higher against 2020 results due to occupancy levels increasing since the lift of the Covid-19 pandemic restrictions;
- Generator consumption;
- The landscape audit result: 86%;
- Guest feedback through platforms such as GuestRevu, Tripadvisor and Google;
- The resort was awarded 3rd best property in the area through Tripadvisor and was awarded the Tripadvisor Travelers' Choice for 2021;
- The resort was awarded RCI Gold Crown status with a score of 4.5 out of 5;
- Severe flooding and property damage was experienced during Cyclone Elouise;
- Necessary control measures through Sanparks was in place for larger crocodiles on the property;
- Further improvements being made to the newly refurbished chalets included damp proofing and repairs to patio roofs as well as damp proofing and painting of the exterior; and
- Lighting alternatives were being researched for improved levels of lighting within the chalets. The project should be completed by 2022 year-end.

12 CLOSURE

There being no further business to discuss, the Chairman thanked all for their attendance and declared the meeting closed at 10h50.



Chairman

