

Sabie River Share Block Proprietary Limited

Registration No. 1963/003920/07

Annual Report

for the year ended 31 December 2023

Sabie River Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2023

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 - 28

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 Sabie River Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Sabi River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2023

Sabi River Sun is a beautiful, serene property located close to the world-famous Kruger National Park. The resort is on the banks of the Sabi River and close enough to explore other popular tourist attractions within the Mpumalanga province.

Sabi River Sun offers holidaymakers renowned hospitality, picturesque gardens and a wonderful golf course. The chalets are self-contained, self-catering units, with amazing views of the property and surrounds.

Resort facilities

All our resort facilities receive continued focus to ensure they are kept in great condition and are appropriate and relevant to what our owners would like to see.

The golf course receives a great deal of focus and effort, mainly from our very capable Golf Club Superintendent, Mr Mark Pain and members of the Golf Club Committee and management team. As mentioned in my Chairman's Report last year, the golf course required extensive remedial works over the past few years as a result of incorrect compaction of sand following the last upgrade of the course and I am grateful to the Golf Club Committee and Mr Pain for reaching the standard that they have to date.

Additional facilities have been introduced including converting a tennis court to padel and pickleball that has proved very popular and a new games room for teens and adults alike.

The new hippo hide has recently been completed and I'm sure will prove very popular for birders and hippo fans alike. Plans are well advanced for a significantly upgraded Spa which should add a new dimension to our resort.

Other projects undertaken include:

- Resurfacing of two chalet swimming pools. The swimming pool behind chalet 25 will be rebuilt in 2024;
- The phased-in project to replace all chalet heat pumps is nearing completion with only 6 units left to be completed;

- The software and hardware infrastructure for wifi connectivity was upgraded; and
- The reticulation project for the water, sewerage, and fire lines across the resort has commenced. This project will significantly improve the underground infrastructure. The project is scheduled to be completed before the end of 2024.

Another ongoing project included the installation of the second weir at the vehicle crossing bridge before the entrance to the hippo dam. The administrative requirements progressed well and I confirm that Sabi River Sun has now received approval on the submitted environmental impact study and the property's water usage license application. Construction is planned for the winter months of 2024 and the project will include the build of fish ladders at the dam wall and on both weirs, to allow fish migration across the dam. This second weir will greatly reduce the amount of silt flowing down the Langspruit River into the hippo dam.

Financial results for the year ended 31 December 2023

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 2023 as set out on page 13 of this annual report reflects a surplus of R21.127m (2022: R18.253m) after taxation, which was transferred to the reserve for property, plant and equipment.

Income

Income (excluding net finance income) increased by 5.9% compared to 2022, primarily due to the additional revenue generated from the padel, pickleball facility, games room, and short-term rentals. Management continues to find ways to increase revenue, particularly through rental pool and short-term rental options.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2023

Expenditure

Total expenditure increased year-on-year by 5.1% to R32.623m (2022: R31.048m). Major expense variances included:

- **Rooms** – expenditure increased year-on-year by 6.3%, with above inflationary increases in replacement of cutlery, crockery and linen 17.1%, printing and stationery 12.1%, as well as guest entertainment 22.1% for the purchase of equipment for the new padel and pickleball facility and the new games room;
- **Administration and general** – expenditure increased by 6.1%. Audit expenses increased by R101k on prior year due to the audit team being accommodated offsite. Corporate social investments reflected an increase of R106k on prior year due to upgrading of Sozama Day Care Centre's water storage and sewerage facilities, and the loss on repossessed debtors increased by R209k year-on-year based on repossessed units sold during the year;
- **Electricity, water, and refuse** – the overall increase of 16% related to higher fuel costs to operate the generators during more frequent periods of loadshedding;
- **Repairs and maintenance** – expenditure decreased by 46% due to the chalets' Suncare maintenance program being completed by the inhouse maintenance team;
- **Estate maintenance** – expenditure increased by 6.6%, in line with the outsourced landscape contract increment;
- **Capital charges** – expenditure increased by 53.7% mainly due to the write-back of an over-provision in company costs and incurring a 22% increase in rates following the July 2023 municipal property valuation increase of 28%;
- **Personnel costs** increased by 17.8% due to additional short-term contracts being approved to complete the chalets' maintenance programme; and
- **Management fee** – the 6.9% increase was in line with the contract increment.

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 2023.

The reserve for property, plant and equipment increased to R39.103m (R38.074m). Total capital expenditure was R20.098m (2022: R9.349m) while cash and cash equivalents amounted to R4.356m (2022: R11.280m). Fixed deposits held with bank increased to R51.194m compared to R41.194m in 2022.

This healthy financial position is key to being able to maintain and improve the resort in the years to come. We will shortly begin redoing the braai facilities and chimneys as well as affected patio roofs, following on the substantial rooms renovation undertaken in the recent years.

The following major capital expenditure was incurred during the year:

	R
Domestic water, fire and sewerage	8 921 496
Children's Entertainment	2 160 200
Wifi	1 682 129
Heat pumps	1 664 243
Padel and pickleball court	904 399
Swimming pool loungers/umbrellas	901 501
Compliance certificate	684 801
Fire retardant roof	421 936
Staff areas	362 847
Laundry washers	348 600
Street lights/bollards	299 794
Ceiling pendants	295 166
Walk-off mats	274 452
Generator/cherry picker - roof	150 352

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2023

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 commits 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 18 July 2024. Should you find yourself unable to attend, 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.



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, 18 July 2024 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 2023, 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 2023, 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, 16 July 2024 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 18 July 2024. Resolved as a special resolution 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 19 July 2024 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, 19 July 2024 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 Wednesday, 10 July 2024.

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, 16 July 2024. 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, 18 July 2024 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 2023			
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 2024.

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, 16 July 2024.

Sabie River Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2023

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 IFRS for SMEs Accounting Standard and in the manner required by the South African Companies Act 71, of 2008.

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

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

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

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

The Company's external auditors, BDO South Africa Incorporated, audited the financial statements and their report is presented on pages 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 21 May 2024 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 2023, 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 2023

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 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 a 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 to independence.



AB Ramsarup
Chairman
20 May 2024

Sabie River Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2023

The Social and Ethics Committee of Sabi 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 and the members met twice this year. I was again elected Chairman of the Committee and my colleagues from Sabi River Sun 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 our well established, health and safety policies are enforced.

Social and economic development

The Committee again worked in collaboration with Pine Lake Resort to maximise our efforts and impact on assisting some of our local community's establishments. We have now completed the refurbishment of 3 classrooms and houses at Michael's Children's Home, which is a local safe-haven for children who have been separated from their parents. We have purchased and installed big Wendy house structures for Legogoto Primary School to be used as additional classrooms. Our Mandela Day project focussed on a local Sozama Day Care centre where we donated mattresses, linen and pillows for its sick bay. In addition, staff of Sabi River Sun painted classrooms and jungle gyms, installed a JOJO tank and pump, repaired plumbing works, and provided access to clean running water. During the year, the centre's sewerage and septic tank was repaired, giving the carers and children access to flushing toilets.

Corporate citizenship

The Committee has a strong regard for corporate citizenship that highlights its social, cultural and environmental responsibility and sustainability. Local Corporate Social Investment ("CSI") initiatives are not only supported through donations of written-off operating equipment and linen but include the time and manpower of contractors and members of staff to perform various projects.

The Committee continued its support of the organisation Sol Deo Gloria that is associated with numerous institutes for the disadvantaged. The Committee donated written-off cutlery, crockery, linen, pillows, towels and blankets, for distribution amongst institutes such as homes for the aged, homes for disadvantaged children and homes for victims of abuse.

Other CSI initiatives included: planting of trees at Sabi River Sun in celebration of Arbour Day; hosting a blood drive in association with the South African National Blood Services; and hosting a family day for the annual CANSA Shavathon event, that was again very well supported by resident guests, staff and visiting golfers. The Committee contributed towards an organisation called Pets in Distress that works tirelessly to catch, sterilise and release the cats found on the resort.

I am proud to announce that the Committee's total CSI contribution for 2023 was valued at R410k.

Environmental, health & public safety

The Committee ensures that the property's energy, water and waste programmes are effective, and it constantly strives to reduce the resort's carbon footprint wherever possible. The resort has upgraded its recycling area and continues to increase its on-site recycling efforts. For 2023, the resort recycled a record-high 33 tons of waste material and greatly reduced its waste being sent to landfill sites.

Energy and water consumption is monitored through a live system that automatically updates and alerts the management team of any potential and/or actual excess of usage. The system tracks trends of usage of the resort's resources and highlights the optimal time for operating equipment to reduce consumption and improve cost effectiveness. Abnormal activities that deviate from the targets set for the resort are highlighted and acted upon immediately. The system is effective and has greatly aided the resort in locating underground water leaks, making it possible to isolate and remedy the issue before further loss of water and/or damage is incurred. The Committee is proud to note that water consumption decreased by 8% year-on-year by being more aware of leaks and being able to address and repair them sooner.

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 96% in its final audit for 2023.

Guest relations and correspondence

Guest satisfaction is crucial for our resort's success. Feedback through GuestRevu, Facebook, Tripadvisor, RCI, Booking.com, and Google Reviews are carefully monitored, managed, and responded to by management each day. Sabi River Sun Resort again received the Tripadvisor Travellers' Choice Award for this year.

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 frequently monitored. The resort's staff members are one of the most valued assets of Sabi River Sun Resort and for this reason, management assists in developing, maintaining and improving employee relations through communication, performance management, employment equity meetings, handling of grievances and/or disputes as well as conducting on-the-job training. Monthly Roadshows are conducted to make staff aware and updated on all results, projects and resort activities. Staff members with leadership potential are encouraged to enrol in supervisory development programmes so as to actively promote from within the team.

Staff have actively participated in online training programmes. Management has contracted specialists from MTPA to conduct training for select members of staff and management on how to handle and catch snakes safely and provide training on the habits and behaviour of hippopotamuses and crocodiles. Staff have successfully completed the mandatory first aid and firefighting training sessions.

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

Strategic plans

The Committee will continue its support of local institutions through CSI initiatives.

To improve ecology in the hippo dam, fish ladders will soon be introduced and the programme to remove hyacinth will continue. The boundary of the dam is maintained by the resort's gardens and grounds team and the islands within the dam grow without human intervention so as to allow active bird life to flourish in those areas.

Best regards



MJ Bone
Chairman

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2023

The Directors present their annual report of the Company for the year ended 31 December 2023.

1 Business activity

The Company and its subsidiary owns the land and buildings known as Sabi River Sun Resort that comprises a hotel and a chalet timesharing scheme. The chalets are utilised by the "A" and "C" class 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 R21,126,538 (2022: R18,252,653) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2022: 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 *	

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2023

5 Directors and secretary (continued)

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

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

Business:

Nelson Mandela Square
4th Floor, South Tower
Corner 5th and Maude Streets
Sandton
2196

Postal:

Private Bag X200
Bryanston
2021

6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSHI"), of which 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 2023, 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 2023, 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 "Sabie River Share Block Proprietary Limited Annual Report for the year ended 31 December 2023", 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.

Sabie River 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

25 June 2024

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 2023

	Note	2023 R	2022 R
Income		50 415 299	47 621 055
Levy income		49 391 060	46 725 336
Other income		1 024 239	895 719
Expenses		(32 623 162)	(31 048 171)
Levy surplus before interest and taxation	3	17 792 137	16 572 884
Net finance income	4	4 418 801	2 306 696
Levy surplus before taxation		22 210 938	18 879 580
Income tax expense	5	(1 084 400)	(626 927)
Levy surplus for the year		21 126 538	18 252 653

Statement of Comprehensive Income - "B" Class Shareholders for the year ended 31 December 2023

	2023 R	2022 R
Revenue		
Levy income	180 033	161 639
	180 033	161 639
Expenses		
Audit fees	6 450	6 450
Rates	173 583	155 189
	180 033	161 639
Levy surplus for the year	-	-

Sabie River Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2023

	Notes	2023 R	2022 R
ASSETS			
Current assets			
Trade and other receivables	6	11 224 480	9 410 474
Levies receivable	7	1 781 200	1 659 763
Fixed deposits held with bank	12	51 194 064	41 194 064
Cash and cash equivalents	13	4 355 743	11 279 940
Total current assets		68 555 487	63 544 241
Total assets		68 555 487	63 544 241
EQUITY			
Capital and reserves			
Share capital	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders	8	39 102 928	38 074 009
Total equity		39 116 854	38 087 935
LIABILITIES			
Current liabilities			
Trade and other payables	9	14 756 386	9 479 349
Levies received in advance	14	13 697 211	15 355 900
Current tax liabilities		985 036	621 057
Total current liabilities		29 438 633	25 456 306
Total liabilities		29 438 633	25 456 306
Total equity and liabilities		68 555 487	63 544 241

Statement of Changes in Equity for the Year Ended 31 December 2023

	Notes	2023 R	2022 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		38 074 009	29 170 380
Levy surplus for the year		21 126 538	18 252 653
Property, plant and equipment additions and replacements during the year	8	(20 097 619)	(9 349 024)
At year-end		39 102 928	38 074 009

Sabie River Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2023

	2023 R	2022 R
Cash flow from operating activities		
Levy surplus before taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	22 210 938	18 879 580
Adjustments for		
Net interest received	(4 418 801)	(2 306 696)
Net surplus before working capital changes	17 792 137	16 572 884
Changes in working capital		
Movement in levies receivable	(121 437)	873 819
Movement in trade and other receivables	(1 814 006)	(1 336 283)
Movement in levies received in advance	(1 658 689)	406 917
Movement in trade and other payables	5 277 037	(870 517)
Cash flows from operating activities	19 475 042	15 646 820
Net interest received	4 418 801	2 306 696
Tax paid	(720 421)	(989 126)
Net cash inflow from operating activities	23 173 422	16 964 390
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(20 097 619)	(9 349 024)
Movement in fixed deposits held with bank	(10 000 000)	(10 045 251)
Net cash outflow from investing activities	(30 097 619)	(19 394 275)
Net movement in cash and cash equivalents	(6 924 197)	(2 429 885)
Cash and cash equivalents at beginning of year	11 279 940	13 709 825
Cash and cash equivalents at year-end	4 355 743	11 279 940

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2023

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 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 2023

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 2023

	2023 R	2022 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	6 093 588	5 266 610
Contributions to retirement funds	354 922	207 957
Management fees	2 924 772	2 737 269
Audit fees	274 409	165 415
Professional fees	-	92 187
Other operating expenses	22 975 471	22 578 733
	32 623 162	31 048 171
4 Net finance income		
Interest income earned on fixed deposits, call deposits and current account	4 426 347	2 307 230
Interest paid	(7 546)	(534)
	4 418 801	2 306 696
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	1 084 400	621 054
Prior year under provision	-	5 873
	1 084 400	626 927
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	134 894	93 597
Other receivables (refer note 16)	777 313	195 142
SARS - Vat	3 550 358	2 994 118
Prepayments (refer note 16)	6 290 938	5 503 304
Sabi River Sun Golf Club (refer note 16)	155 521	-
Interest receivable	315 456	624 313
	11 224 480	9 410 474
7 Levies receivable		
Levy debtors	994 082	773 716
Repossessed debtors	3 627 017	2 592 851
Provision for repossessed debtors	(2 839 899)	(1 706 804)
Opening balance	(1 706 804)	(716 974)
Movement	(1 133 095)	(989 830)
	1 781 200	1 659 763

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2023

	2023 R	2022 R
8 Reserve for property, plant and equipment - "A" and "C" class shareholders		
At beginning of year	38 074 009	29 170 380
Levy surplus for the year	21 126 538	18 252 653
	59 200 547	47 423 033
Property, plant and equipment additions and replacements during the year	(20 097 619)	(9 349 024)
At year-end	39 102 928	38 074 009
<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 2024 of R36,439,997 (2022: approved R42,186,977 for 2023) that is anticipated to decrease the reserve fund by R16,608,929 (2022: reserve fund to decrease by R22,739,496 in 2023). There were no capital commitments made at year-end (2022: R970,484).</p>		
9 Trade and other payables		
Trade payables (refer note 16)	362 667	17 944
Sundry payables (refer note 16)	612 340	803 666
Accruals (refer note 16)	798 956	1 530 334
Provision for auditor's fees	68 361	128 620
Sabi River Sun Golf Club (refer note 16)	-	240 286
Southern Sun Hotel Interests Proprietary Limited (refer note 16)	12 914 062	6 758 499
	14 756 386	9 479 349
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 R47,620,000 (2022: 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 2023

	2023 R	2022 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	51 194 064	41 194 064
13 Cash and cash equivalents		
Bank balances	4 355 743	11 279 940
14 Levies received in advance		
Levies received in advance	13 697 211	15 355 900
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 R2,660,215 (2022: R2,516,760). 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	33 601	15 115
Rental pool	116 223	92 909
Management fee	2 924 772	2 737 269
Central accounting and levy collection fees	273 940	254 921

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2023

	2023 R	2022 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	(41 315)	(53 701)
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	(42 749)	(32 174)
Secretarial fees on repossessed debtors and use agreement fees - SRMS	66 348	56 243
During the financial year the Company paid the following internal charges to SSHI:		
Administration - Information technology, procurement, etc	592 680	358 933
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)	(87 938)	-
Included in accruals (refer note 9)	-	(14 617)
Owing to SSHI (refer note 9)	(12 914 062)	(6 758 498)
Included in other receivables (refer note 6)	9 640	21 210
Included in prepayments (refer note 6)	447 880	345 948
	(12 544 480)	(6 405 957)
Sabi River Sun Golf Club, related through common directorship, was paid annual subscriptions by the Company as follows:		
Subscriptions	2 660 215	2 516 760
Due (to)/by Sabi River Sun Golf Club:		
Due by Sabi River Sun Golf Club (refer note 6)	155 521	-
Due to Sabi River Sun Golf Club (refer note 9)	-	(240 286)
	155 521	(240 286)

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2023

16 Related party transactions (continued)

During the year, the Company concluded a bulk deal with SunSwop (a division of SSHI), selling usage of mid-week occupation of repossessed weeks in order to reduce accumulated debt on the units. Sunswop purchased mid-week occupation usage of 70 repossessed weeks from the Company for R140,000.

	Number of weeks	Levies paid R	Levies received in advance R
SunSwop (a division of SSHI) - 2023 shareholding	9	91 710	21 620
SunSwop (a division of SSHI) - 2022 shareholding	9	86 760	20 380

SSHI owns units in the Company as follows:

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

2023 - shareholding

AB Ramsarup - The Leisure Holiday Club	91	927 290	454 020
AN Ridl - Club Leisure Group	166	1 758 860	804 240

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

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 PJ Boshoff, DA Park, PM Pienaar, MN von Aulock and SJ Croft are borne by Southern Sun.

	2023 R	2022 R
Directors' emoluments paid for the year:		
RDT Jeffray	29 600	29 600
AN Rossetti	29 600	29 600
JPF van Rooyen	22 200	29 600
	81 400	88 800

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 2023

	2023 R	2022 R
INCOME		
Levies	49 391 060	46 725 336
Rental pool	95 746	95 746
Short-term rentals	346 128	208 817
Sale of capital assets	19 739	128 878
Sundry income		
- telephone, rentals, penalties, etc.	562 626	462 278
	50 415 299	47 621 055
EXPENDITURE		
Rooms expenses		
Cleaning supplies	194 450	194 561
Guest entertainment - DSTV, videos, cocktails, games and prizes	542 760	444 536
Guest supplies	194 693	226 981
Laundry	729 023	674 971
Personnel costs - outside services	3 496 983	3 391 141
Pest control	59 055	59 665
Printing and stationery	189 630	169 160
Replacement of cutlery, crockery, linen, towels, uniforms, etc.	653 792	558 108
Security services	2 509 845	2 346 528
	8 570 231	8 065 651
Administration and general		
Auditor's remuneration		
- current year	136 723	128 620
- expenses	137 686	36 795
Bank charges	14 727	19 017
Central accounting and levy collection fees	273 940	254 921
Corporate social initiatives	171 578	65 622
Credit card commission	125 204	151 595
Directors' emoluments	81 400	88 800
Information technology costs	640 788	747 082
Insurance		
- premiums	675 441	543 233
- excess	-	13 323
Licences and permits	84 506	93 539
Loss on repossessed debtors	437 924	228 581
Penalties	6 506	-
Professional fees	-	92 187
Provision for repossessed debtors	1 133 095	989 830
Railage, cartage and hire transport	14 062	8 204
Subscriptions	96 329	345 720
Telephone	18 723	22 603
Travel - management and Directors	72 927	64 359
Vehicles - fuel and oil	172 793	154 943
	4 294 352	4 048 974

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Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2023

	2023 R	2022 R
Electricity, water and refuse		
Electric bulbs	78 149	117 206
Electricity	2 112 675	2 119 258
Generator fuel	1 147 462	631 532
Sewerage	118 326	87 706
Water	9 734	33 467
	3 466 346	2 989 169
Repairs and maintenance		
Airconditioning	79 713	127 509
Buildings	240 317	209 205
Electrical and mechanical	311 318	357 883
Tools	23 092	9 805
Furniture and fixtures	-	765
Major repairs and maintenance	323 400	1 018 457
Painting and redecorating	20 587	42 266
Plumbing and heatin	118 274	125 966
Radio and TV	48 612	(3 948)
Room care	117 471	690 041
Swimming pool cleaning and repairs	161 382	133 789
Security fence	46 798	62 524
Vehicles	34 135	49 006
	1 525 099	2 823 268
Estate maintenance		
Gardens and grounds	2 216 271	2 055 804
Subscriptions - Sabi River Sun Golf Club	2 660 215	2 516 760
	4 876 486	4 572 564
Capital charges		
Annual report and statutory costs	92 948	(62 507)
Furniture and equipment lease	98 344	108 687
Municipal rates and taxes	326 074	290 529
	517 366	336 709
Personnel costs		
Rooms	2 070 820	1 990 899
Administration and general	1 935 186	1 800 683
Repairs and maintenance	2 442 504	1 682 985
	6 448 510	5 474 567
Management fee	2 924 772	2 737 269
Total expenditure	32 623 162	31 048 171
Excess of income over expenditure before finance income and taxation	17 792 137	16 572 884
Net finance income		
Net interest received	4 418 801	2 306 696
Excess of income over expenditure before taxation	22 210 938	18 879 580
Taxation		
Current year	1 084 400	621 054
Prior year under provision	-	5 873
	1 084 400	626 927
Excess of income over expenditure after taxation for the year transferred to the "A" and "C" class shareholders' reserve for property, plant and equipment	21 126 538	18 252 653

Sabie River Share Block Proprietary Limited

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2022 HELD ON THURSDAY 20 JULY 2023 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. He advised that the meeting was convened in terms of the notice of the annual general meeting ("AGM"), dated 22 May 2023.

The Chairman welcomed all in attendance, both in person and online through the Microsoft Office Teams platform and introduced his fellow Directors Ms Samantha Croft and Messrs. Darren Park, Peter Pienaar and Johannes ("John") van Rooyen representing the "B" class shareholders. He noted that Mr Jacobus "Jaco" Boshoff was unable to attend the meeting today. He then introduced the non-executive Directors Messrs. Raymond Jeffray, Ajith Ramsarup and Antonio Rossetti, representing the "A" and "C" class shareholders and he noted that Mr Anthony Ridl was unable to attend the meeting as he was traveling abroad.

Members of the management team and company secretariat team were duly welcomed.

2 QUORUM

A number of shareholders had tendered 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 22 May 2023 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 and special resolution and enquired whether the shareholders had any queries. There being no queries or 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 2022. No questions or comments were recorded and it was unanimously RESOLVED that the annual financial statements for the year ended 31 December 2022 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 re-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 re-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.

Sabie River Share Block Proprietary Limited

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.

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 R504,634,224. Buildings were valued at R394,479,220 and furniture, fittings and equipment were valued at R53,362,424. The dam and golf course was valued separately at R56,792,580. 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 four years and were not recommended for increase for the year ahead. The Chairman noted that only three Directors received remuneration for their position on the Board of Sabie River Share Block. 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 2023 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

Together with photographic evidence, the resort's general manager Mr Malcolm Bone presented an overview of the following achievements during the 2022 year:

- The resort held a Level 1 BBBEE certificate status;
- The resort was compliant with the comprehensive procurement policies of the Southern Sun Group;
- Staff training activities being conducted mainly utilised through online platforms;
- Organisational Resilience Management Services ("ORMS") result: 95.2%;
- Energy consumption lower than the previous year due to increased episodes of load shedding;
- Generator usage higher due to additional load shedding occurrences. Guests expect an uninterrupted stay at the resort and were provided a continuous supply of electricity to their units and to public areas;
- Water consumption lower against 2021 results due to improved efficiencies in monitoring water usage and detecting leaks earlier around the property;
- Gas consumption increased as previous years included resort closures and guests' inability to travel during the peak Coronavirus ("Covid-19") pandemic period;
- The landscape audit result: 90%;
- Guest feedback was mostly positive, through platforms such as GuestRevu, Tripadvisor and Google;
- The resort was awarded the 2022 Tripadvisor Travelers' Choice;
- The resort was awarded RCI Gold Crown status with a score of 4.58 out of 5;
- The successful training camp set up for the national Springboks rugby team;
- A corporate social investment ("CSI") spend of R308,500 achieved through the following events:
 - Fundraising through Cansa Shavathon;
 - Donation of written-off towels to Soli-Deo-Gloria, a non-profit organisation delivering donated items to various local charities;
 - South African National Blood Services Blood Drive;
 - Participation in Heritage Day, Arbour Day, Flip Flop Day in aid of CHOC, and Slipper Day;
- Special CSI projects included:
 - Michael's Children's Home, in collaboration with the Social and Ethics Committee of Pine Lake Resort, underwent repairs and renovations to the value of R28,250 per property contribution; and
 - Legogoto Primary School, in collaboration with the Social and Ethics Committee of Pine Lake Resort, received a second school classroom to the value of R28,400 per property contribution.

Mr Bone proudly announced that Sabi River Sun achieved 5th place in the 2022 RCI Resort Recognition Programme for Large Properties. The resort received 4th position in the category of Superior Service in Hospitality; 5th position in Top Housekeeping; 6th position in Top Check-In and Check-Out; and 3rd position in the category of Top Resort Maintenance.

Mr Bone presented comparative photographic slides of the golf course greens from March 2022 and January 2023, to show how much attention, effort and additional work had been necessary to improve the condition and play on the course. Additional treatment processes and spray programmes were executed to rectify issues that arose from the last and unsuccessful upgrade of the course. The photographs helped to explain the extensive algae build up on the greens, why additional hollowtining work was necessary, how the greens were re-seeded, the process of dethatching the greens, and so on.

The following queries and comments were raised and answered:

- How did the resort compare in the RCI programme categories not mentioned?
 - Mr Bone shared that Sabi River Sun had done well within the programme but had not achieved top positions for the other categories.
- Given the recent and unexplained gas explosion experienced in Johannesburg, was the property adequately covered in its safety measures to store the quantities of gas on site?
 - Mr Bone advised that African Oxygen (Pty) Ltd ("AFROX") conducted regular safety inspections and pressure testing and that the staff on site and head office team, through ORMS audit processes, carried out various health and safety audits and ensured that the required certification was recorded and on hand.
- Sabi River Sun was an internationally recognized resort and the golf course should be marketed as a pedigree course to attract more players. Was the Sabi River Sun golf course rated?
 - Mr Gavin Brough, Sabi River Sun's Golf Club manager, advised that the golf course was rated by the South African Golf Association and that each tee box had a handicap index, for a player to record play scores. He mentioned that although the slope-index had been re-rated, it remained low, as the points did not consider the obstacles along the distance.
- The road between Sabi and Hazyview was broken and the road between White River and Hazyview was in almost the same state. What was being done about it?
 - Mr Bone stated that the Municipal's treasury department was yet to respond to the many requests submitted to have the roads repaired. The road from White River was available but drivers had to drive through a lengthy stop-and-go process. The other road had very dangerous sections however, the necessary repairs would be very tricky to carry out.

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- Was it sustainable to continue utilizing the generators to mitigate the effects of load shedding?
 - Mr Bone stated that while energy consumption had reduced, an overspend was being recorded against generator fuel, and repairs and maintenance. The share block's budget did provide for predictable load shedding schedules that alleviated the need to charge guests for the additional cost during their stay. Mr Bone thanked Southern Sun for installing the generators many years ago and wished to highlight the importance as guests booked at other establishments in the area, often cancelled their stay and booked at Sabi River Sun to enjoy an uninterrupted supply of electricity during their holiday.
 - The Chairman mentioned that the Southern Sun Group was investigating an alternate supply of energy. Solar became an issue when guests needed hot water showers very early in the mornings and often, large back-up batteries were required in addition to the solar panels to keep the property operating with as little disruption as possible. He stated that while the episodes of load shedding was a very costly experience, the use of back-up generators would not cripple the share block or be detrimental to food storage or safety aspects. Only the Sun1 properties within the Southern Sun portfolio did not have back-up generators.

A shareholder raised displeasure in his inability to sell one of his weeks at Sabi River Sun Resort. He had been advised that his preferred sales agent, Ms Christine Venter of Quantum Sun, was not permitted to do so on his behalf. He had then mandated the Southern Sun sales office with no success or feedback over a number of months. Mr Peter Pienaar, general manager of SunSwop, stated that a shareholder could rent or sell their week through any third party, but advised that shareholders should only use agents with the necessary accreditation from the Property Practitioners Regulatory Authority ("PPRA"), to ensure compliance with the law. He also advised that Southern Sun would not take instructions from any agents acting on behalf of timeshare owners unless such agents can provide proof of the accreditation. From a resale perspective, Mr Pienaar noted that weeks across all Southern Sun managed resort properties were not selling as quickly as before. Southern Sun had expanded its resales processes and was now offering options to purchase weeks at any property, from any property. The Chairman shared that while resales had been slower, repossessed weeks currently totalled only 2% of total shareholding and was being monitored very closely so that measures could be put in place to mitigate any growing concern.

A shareholder raised concern that a sales agent had advised him that non-payment of an annual levy would result in the immediate block of his SunSwop points and permit no further transaction. Mr Pienaar corrected that prevention of utilising banked SunSwop points would only be enforced if the levy for that year was not settled by the due date. A shareholder commended Mr Bone and his team for the wonderful service at Sabi River Sun. The resort was one her favourite destinations and all staff members provided friendly and great service during her holidays. Her compliments were endorsed by another shareholder.

The Chairman shared that as CEO of the Southern Sun Group, he was impressed with the trading of timeshare over the past year. While he did not believe that business was entirely "back to normal", morning sales reports reflected many high-end positive results, that were favourable to even pre-Covid results. It showed that shareholders were physically utilising their timeshare week, or family members were staying in their place. Occupancy at Sabi River Sun had averaged an incredible 80% for the year and travel as well as the demand to stay in timeshare resorts should pick up even more.

12 CLOSURE

The Chairman thanked his fellow Directors for being as engaged in the activities of the Board and he extended thanks to Mr Bone for a very good trading year. The Chairman thanked all shareholders for their attendance and there being no further business, declared the meeting closed at 11h16.



Chairman

7 November 2023

Date

