

# Beacon Island Share Block Proprietary Limited

Registration No. 1983/005957/07



## Annual Report

for the year ended 31 December 2023

# Beacon Island Share Block Proprietary Limited

Annual Financial Statements  
for the year ended 31 December 2023

## COMPANY INFORMATION

Registration number: 1983/005957/07

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

Postal address: Private Bag X200  
Bryanston  
2021

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

- Detailed Levy Fund Operating Statement 24 - 25

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

# Beacon Island Share Block Proprietary Limited

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

Since opening its doors in December 1972, Beacon Island Resort has grown from strength to strength and remains an icon. It is a world-class flagship property in a highly sought-after destination for shareholders and guests.

I am pleased to report that our resort achieved 2nd place in the Large Resorts Category within RCI's 2023 Recognition Awards programme. This is an achievement that we are all extremely proud of.

## Improvements

Improvements to facilities during the year included the installation of a new 700kVA Volvo generator; the installation of CCTV cameras in all public spaces and on each floor; the upgrade of guest lifts; an upgraded wifi connection; the purchase of a new mini bus for guest transport; the replacement of door locks; and replacement of perimeter fencing. The blackout curtains and curtains in each unit will continue to be replaced as part of an ongoing replacement program.

## Human resources

The staff of Beacon Island Resort strive to create exceptional experiences. Ongoing training and development of staff members is therefore critical in order to ensure that we deliver and maintain the world-class service and high standard that our guests have grown accustomed to.

The Coronavirus pandemic ("Covid-19") changed the way training is conducted. It has proven successful and become more cost effective to utilise online training sessions and webinars wherever possible to improve our staff members' skill-set and to help them to further develop themselves.

## Occupancy

I am thrilled to report that the average occupancy recorded in 2023 was a phenomenal 88.7%, which was higher than the 85.9% achieved the previous year.

The statement of comprehensive income for the year ended 31 December 2023 reflects total income including net finance income of R59.560m (2022: R55.942m) and total expenditure of R46.583m (2022: R46.064m). The levy surplus after taxation of R12.087m (2022: R9.265m) has been transferred to the reserve for property, plant, and equipment. A more detailed review of variances in income and expenditure reveals that:

## Income

Income, excluding interest received, increased by 3.5% year-on-year.

## Expenditure

Year-on-year, total expenditure increased by 1.1% with the following breakdown:

- **Rooms** decreased by 1.4% mainly due to fewer replacements of operating equipment;
- **Administration and general** decreased by 0.4% mainly due to lower costs related to credit card commission, marketing, and postage;
- **Electricity, water and refuse** increased by 10.1% mainly due to an increase in generator fuel of R948k, due to more frequent periods of load shedding;
- **Repairs and maintenance** increased by 2.2% mainly due to repairs to the laundry machine and beverage cooler as well as installation of an evaporator for the ice machine;
- **Corporate charges** increased by 4% mainly due to higher rates and sewerage charges;
- **Personnel costs** decreased by 0.6% mainly due to the timing of vacancies and staff being able to take annual leave; and
- **Management fees** increased by 6.9% in line with CPI, as per the management agreement.

## Statement of financial position

The statement of financial position on page 14 together with the related notes thereto, reflects the financial position of Beacon Island Share Block as at 31 December 2023. The reserve for the replacement of property, plant and equipment reflects a balance of R28.061m (2022: R26.888m) after transfer of the operating surplus for 2023 of R12.087m (2022: R9.265m) and capital expenditure costs of R10.914m (2022: R6.432m). Levies receivable decreased to R862k (2022: R877k). Levies received in advance decreased to R19.997m (2022: R21.655m).

Surplus funds are invested for the benefit of all shareholders. Cash and cash equivalents decreased to R2.342m (2022: R4.322m) whilst fixed deposits increased to R46.5m (2022: R45.5m).

I take this opportunity to thank our shareholders for continuing to meet their levy obligations and for paying their annual levies timeously.

# Beacon Island Share Block Proprietary Limited

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

## Capital expenditure

Capital expenditure of R10.914m (2022: R6.432m) was incurred in respect of the following major expenses:

	R
IT wifi	2,961,303
Generator	2,627,777
Door locks – Vingcard	1,456,957
CCTV equipment	772,119
Mini bus	684,143
Kitchen dishwasher	419,367
Swimming pool lounge suites	365,789
Lifts replacement	312,840
Perimeter fencing	196,279
Ice machines	179,016
Curtains and blackout curtains	167,709

## Levy 2025

As is the case each year, levies for the following year will be approved in August and will be communicated to all shareholders in due course. Your Board is acutely mindful of the ongoing economic challenges posed by, amongst others, petrol price increases, load shedding and so on. Due diligence is always exercised to meet our resort's fiscal obligations whilst ensuring stable growth in the reserve fund for future maintenance projects and improvements.

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

Our resort continues to be a member of VOASA, the 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 within the timeshare industry, in both a positive and organised manner.

## Conclusion

I am extremely proud of and am reassured by our Beacon Island Resort's phenomenal performance in 2023. I thank my fellow Directors for their dedication, guidance, support and hard work over this past year. I am extremely fortunate to have such a capable board of Directors, all of whom are dedicated to the best interests of all shareholders and the prosperity of our resort.

In closing, I encourage every shareholder to either attend the AGM on Monday, 9 September 2024 or to complete the proxy form enclosed in this annual report on page 5 should you be unable to attend in person.

I wish you all a safe and healthy year ahead.



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

LH Hodes  
Chairman

**Beacon Island Share Block  
Proprietary Limited**  
Registration Number: 1983/005957/07  
("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@southern.sun.com](mailto:Resorts.companysecretarialservices@southern.sun.com)

Notice is hereby given to the shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Monday, 9 September 2024 at 10h00 at Southern Sun The Cullinan, 1 Cullinan Street, Cape Town Waterfront**, for the purpose of considering the following business to be transacted and if deemed fit, passing with or without amendment, the ordinary and special resolutions set out hereunder, and considering any other matters raised by shareholders at the AGM.

**1. 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 of Directors that BDO South Africa Incorporated ("BDO") be and are hereby re-appointed as independent auditors of the Company until the conclusion of the next AGM of the Company.

**3. Election of Directors**

In accordance with Company's Memorandum of Incorporation ("MOI"), the number of Directors shall be no less than three and no more than seven and the longest serving Directors shall retire at an AGM. The longest serving Directors shall be those who have held office for three successive AGMs excluding the meeting at which they are elected or re-elected and including the third meeting at which they shall automatically retire. By rotation, Mr Robert Segal shall retire at this AGM. **It would facilitate secretarial procedures if nominations for the appointment of Directors be received by no later than 10h00 on Friday, 6 September 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 Robert Segal 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 Gary Kaplan 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 Ms Laurelle McDonald be and is hereby elected as a member of the Company's Audit Committee in terms of the Company's MOI.

Ordinary resolution 4.3: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby elected as a member of the Company's Audit Committee in terms of the Company's MOI.

**5. Insured value of property**

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

**6. Non-executive Directors' fees**

Special resolution 1: ***The reason for and effect of this special resolution:***

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

It is noted that an amount of R8,000 for non-executive Directors' fees was approved at the previous AGM for the year until 8 September 2024. Resolved as a special resolution that the fees remain unchanged at R8,000 (Vat payable, to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors of the Company and as members of sub-committees, per meeting or cluster of meetings, in respect of the period from 10 September 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 South African Companies Act 71, of 2008, no business shall be transacted at any AGM unless a quorum of shareholders is present at the time when the meeting proceeds to business. The quorum at any AGM shall be no less than three shareholders present, holding at least five percent (5%) of the share capital and voting rights, personally or by proxy, and who are entitled to be exercised at the meeting.

In the event of a quorum not being present within half-an-hour of the appointed time for the meeting to begin, the AGM will be automatically adjourned for one business day, to Tuesday, 10 September 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 Monday, 2 September 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 10h00 on Friday, 6 September 2024. A form of proxy is enclosed on page 5 for this purpose.**

By order of the Board  
Southern Sun Secretarial Services Proprietary Limited  
27 May 2024

**Beacon Island Share Block  
Proprietary Limited**  
Registration Number: 1983/005957/07  
("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 **Monday, 9 September 2024 at 10h00 at Southern Sun The Cullinan, 1 Cullinan Street, Cape Town Waterfront.**

**Form of proxy**

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

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

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

	In Favour Of	Against	Abstain
<b>Ordinary Resolution 1:</b> Receipt and adoption of annual financial statements and reports - Year ended 31 December 2023			
<b>Ordinary Resolution 2:</b> Appointment of auditors			
<b>Ordinary Resolution 3:</b> Election of Directors			
3.1 Robert Segal			
<b>Ordinary Resolution 4:</b> Appointment of audit committee			
4.1 Gary Kaplan			
4.2 Laurelle McDonald			
4.3 Anthony Ridl			
<b>Ordinary resolution 5:</b> Insured value of property			
<b>Special Resolution 1:</b> Non-executive Directors' fees (R8,000)			

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 10h00 on Friday, 6 September 2024.**

# Beacon Island 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 Beacon Island Share Block Proprietary Limited. The annual financial statements presented on pages 13 to 23 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.

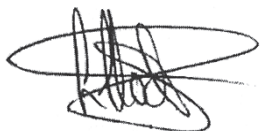
The Directors and management have the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position, financial performance and cash flows of the Company to enable the Directors to ensure that the annual financial statements 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 to 12.

## Approval of annual financial statements

The financial statements set out on pages 13 to 23 were approved by the Directors on 27 May 2024 and are signed by:



**LM Hodes**  
Chairman



**G Kaplan**  
Director (chairman - audit committee)

## Declaration by the company secretary

I hereby confirm in my capacity as company secretary of Beacon Island 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

# Beacon Island 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 myself as Chairman, Ms Laurelle McDonald and Mr Anthony Ridl.

## 2. Frequency of meetings

The Audit Committee met twice during the financial year under review and provision is made for additional meetings to be held, when and if necessary.

## 3. Attendance

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

## 4. Duties of the Audit Committee

The work of the Audit Committee during the year focused on:

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



G Kaplan  
Chairman  
27 May 2024



# Beacon Island Share Block Proprietary Limited

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

The Social and Ethics Committee (“the committee”) of Beacon Island Share Block Proprietary Limited is a statutory committee governed by the South African Companies Act 71, of 2008, is guided by King IV, and is mandated to fulfil all other responsibilities assigned to it by the Board of Directors.

## Role of the committee

The committee serves to ensure that the resort complies with relevant laws and regulations, exercises corporate social responsibility and operates in line with the goals of the share block. Furthermore, the committee ensures that the resort manages its resources in a safe, legally compliant, sustainable and strategic way, and that it continues to build constructive relationships with stakeholders vital to its success, being: guests; employees; community; and broader society.

## Composition and functioning

The committee meets twice a year and comprises three non-executive Directors. I was appointed Chairman and am supported by fellow Directors, Ms Janine Pieterse and Mr Johannes (“John”) van Rooyen. Other Directors are invited to participate in the meetings and the committee is whole-heartedly supported by the resort’s staff members.

## Activities of the committee

The committee provides direction, oversight and impetus to a variety of activities that works to the good of the resort, its environmental and socio-economic framework. The energy that goes into these activities and the outstanding results achieved, demonstrate the commitment of the committee and the team of staff members who help follow through.

## Environmental health and public safety

Environmental health and public safety interlocks the priorities of the committee’s work. While focus is on energy, water and waste programmes, attention is also given to complying with the organisational resilience management system (“ORMS”) that Southern Sun implements at its properties.

The ORMS programme is a comprehensive planning, monitoring and auditing framework to ensure that the resort’s core services and facilities are safe, compliant, robust and working well. It monitors numerous factors that routinely require attention in order to operate a resort, ranging from the safe working conditions of the lifts and fire safety systems, good quality of the water supply, cleanliness of the property, good hygiene standards in the kitchen, suitability of security, and more. ORMS covers the bases in preventing and mitigating risks and ensuring that back-up systems are in place as and when needed. Risk audits are thus essential, and I am pleased to note that the resort surpassed its ORMS target of 90% by achieving an overall score of 97.4% for the year.

The resort recycled 64% of its total waste last year and this accounted for 33,839kg of total recyclable waste.

To reduce the property’s consumption of electricity, staff operated within a “switch-off-something” programme; utilised equipment during set operational times; and the resort installed motion sensor lighting and energy efficient lights around the property, as well as installed heat pumps. While the property still experienced episodes of load shedding during the year under review, the impact of future episodes would be reduced through the purchase of a replacement backup generator. In 2023, the property experienced 1,438 hours of downtime from the municipal electricity supply and expensed a total of R1,966,607 for purchase the 79,090 litres of diesel required to run the generator. The new and more efficient 700KVA Volvo generator consumes 45 litres per hour instead of the previous 55 litres per hour. Another project that reduces electricity consumption is the replacement of the old guest lifts with more energy-efficient and quicker lifts. The new lifts require 40amps of power instead of the previous 80amps of power.

## Guest relations and correspondence

Guest relations is of paramount importance which means that guest feedback is encouraged and closely monitored.

It is pleasing to note the following great results:

- The Guest Revu satisfaction survey scored in 91% for 2023;
- Amongst other Top Gold Crown properties, the resort achieved 2nd place in the Large Resorts Category through the RCI awards programme; and
- The resort received the following awards through RCI:
  - 3rd place for Top Unit Maintenance;
  - 4th place for Top Check-In and Check-Out; and
  - 5th place for Top Housekeeping.

## Labour, employment relations and BBBEE

Beacon Island Resort is a prestigious timeshare property that is comparatively successful amongst the largest employers within the Plettenberg Bay area that employ majority of its labour force from the surrounding communities.

Training and development is a key aspect to enhance guest service and empower positive labour relations. The management team builds positive relationships with staff members through effective communication and performance management. Staff members are encouraged to pursue training opportunities made available through the Southern Sun online learning platform, to improve their skills for personal and professional development.

Strong emphasis is placed on buying goods and services through local and sustainable organisations or local persons to help stimulate entrepreneurship in the area.

# Beacon Island Share Block Proprietary Limited

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

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

## Corporate citizenship and social investment

The committee has strong regard for good corporate citizenship. Through the year, it assisted and supported the health, welfare, and educational sectors through donations of staff time and expertise; prize letters for accommodation and meals in aid of fundraising events; donations of written-off linen, furniture, and equipment; and the purchase of items listed for repair or replacement by an initiative or organisation.

I am delighted to report that the committee surpassed its special projects' corporate social investment target for the year and recorded participation in the following areas:

- Volunteering SA – literacy packs and stationery was donated to 435 learners of Phakamisani and Kwanokuthula Primary school;
- Muddy Pooches – dog food and feeding bowls were donated;
- Plett Animal Welfare Society ("PAWS") – written-off towels were donated;
- Sterreweg Day Care Centre – therapy equipment was donated to the children with special needs;
- Wittedrift Primary School: various stationary items and office equipment were donated;
- Bitou Rugby Club: a sports kit was donated to the team; and
- Protea Service Centre: fleece blankets, gardening tools and seedlings were donated. Staff of Beacon Island Resort helped the centre create its own vegetable garden in celebration of Heritage Day.

In addition to the abovementioned participation, written-off towels and bed sheets were donated to a local and unemployed lady who cut patterns and created hooded towels and school shirts. The resort then bought the completed items from the lady and was able to donate these items to various schools in under privileged areas.

## Conclusion

I extend a big thank you to my fellow committee members and to the staff of Beacon Island Resort for their support that resulted in 2023 being yet another phenomenal year. The committee strives to create a positive impact on each staff member of the resort and on the larger community and I am incredibly proud to be part of this committee.



**Robert Segal**  
Chairman

# Beacon Island 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 leases the land and buildings known as Beacon Island Resort that is utilised by the shareholders on a timeshare basis with respective shareholders' time interest being apportioned through the issue of shares according to share block regulations. These regulations provide for the following:

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

## 2 Financial results

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

In accordance with the provisions of the Share Blocks Control Act and in common with other timeshare operations in South Africa, the Company has since its inception as a Share Block Company, raised an annual levy making a provision for the maintenance and upkeep of the property. Asset replacement costs and additions to property, plant and equipment have been charged against this amount annually. Before providing for property, plant and equipment additions and replacements, a surplus of R12,087,156 (2022: R9,265,224) 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 resort buildings and its contents are insured at current replacement values under an all-risk policy. In addition, Sasria (Riot) cover has been arranged for the sum insured. The Company does not insure personal belongings of the individual timesharers. The Company does not guarantee the provision of alternative accommodation in the event of a disaster and does not take out insurance for this.

## 5 Directors and secretary

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

LM Hodes	Chairman
G Kaplan *	
L McDonald *	
J Pieterse ^	
AN Ridl *	(Alternate MN Ridl)
RJ Segal ^	
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:

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

## 6 Management

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

## 7 Material events after year-end

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

# Beacon Island Share Block Proprietary Limited

Report of the Independent Auditors

**To the shareholders of Beacon Island Share Block Proprietary Limited**

## **Opinion**

We have audited the financial statements of Beacon Island Share Block Proprietary Limited (the company) set out on pages 13 to 23, 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 Beacon Island 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 "Beacon Island Share Block Proprietary Limited Annual Report for the yearended 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.

# Beacon Island 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

6 August 2024

5A Rydall Vale Office Park

38 Douglas Saunders Drive

La Lucia, 4051

# Beacon Island Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 R	2022 R
<b>Income</b>		<b>55 430 683</b>	53 580 139
Levy income		52 719 326	51 022 115
Other income		2 711 357	2 558 024
<b>Expenses</b>		<b>(46 583 385)</b>	(46 063 832)
Levy surplus before interest and taxation	3	8 847 298	7 516 307
<b>Finance income</b>	4	<b>4 129 428</b>	2 362 124
Levy surplus before taxation		12 976 726	9 878 431
<b>Income tax expense</b>	5	<b>(889 570)</b>	(613 207)
<b>Levy surplus for the year</b>		<b>12 087 156</b>	9 265 224

# Beacon Island Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2023

	Note	2023 R	2022 R
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	6	10 892 144	9 085 126
Levies receivable	7	862 227	877 096
Fixed deposits held with bank	11	46 500 000	45 500 000
Cash and cash equivalents	12	2 342 299	4 322 018
<b>Total current assets</b>		<b>60 596 670</b>	<b>59 784 240</b>
<b>Total assets</b>		<b>60 596 670</b>	<b>59 784 240</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	10	320 000	320 000
Reserve for property, plant and equipment	8	28 061 042	26 887 866
<b>Total equity</b>		<b>28 381 042</b>	<b>27 207 866</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	11 329 028	10 319 869
Levies received in advance	13	19 997 030	21 655 447
Current tax liabilities		889 570	601 058
<b>Total current liabilities</b>		<b>32 215 628</b>	<b>32 576 374</b>
<b>Total liabilities</b>		<b>32 215 628</b>	<b>32 576 374</b>
<b>Total equity and liabilities</b>		<b>60 596 670</b>	<b>59 784 240</b>

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

	Note	2023 R	2022 R
<b>Share capital</b>			
Ordinary shares at the beginning of the year and at year-end	10	320 000	320 000
<b>Reserve for property, plant and equipment</b>			
At the beginning of the year		26 887 866	24 054 821
Levy surplus for the year		12 087 156	9 265 224
Property, plant and equipment additions and replacements during the year	8	(10 913 980)	(6 432 179)
At year-end		28 061 042	26 887 866

# Beacon Island Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2023

	2023 R	2022 R
<b>Cash flow from operating activities</b>		
Levy surplus before taxation	12 976 726	9 878 431
Adjustments for		
Interest received	(4 129 428)	(2 362 124)
Net surplus before working capital changes	8 847 298	7 516 307
Changes in working capital		
Movement in levies receivable	14 869	87 706
Movement in trade and other receivables	(1 807 018)	(2 658 621)
Movement in levies received in advance	(1 658 417)	980 179
Movement in trade and other payables	1 009 159	1 870 217
Cash flows from operating activities	6 405 891	7 795 788
Interest received	4 129 428	2 362 124
Tax paid	(601 058)	(1 143 101)
Net cash inflow from operating activities	9 934 261	9 014 811
<b>Cash flow from investing activities</b>		
Property, plant and equipment additions and replacements	(10 913 980)	(6 432 179)
Movement in fixed deposits held with bank	(1 000 000)	(4 000 000)
Net cash outflow from investing activities	(11 913 980)	(10 432 179)
<b>Net movement in cash and cash equivalents</b>	(1 979 719)	(1 417 368)
Cash and cash equivalents at the beginning of the year	4 322 018	5 739 386
Cash and cash equivalents at year-end	2 342 299	4 322 018



# Beacon Island 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 are significant to the annual financial statements.

### 1.2 Reserve for property, plant and equipment

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

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

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

### 1.3 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 fixed deposits held with bank 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.

# Beacon Island Share Block Proprietary Limited

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

## 1.5 Cash and cash equivalents

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

## 1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Special levy revenue is recognised when raised.

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

Rental income from tenants are disclosed net of the related management fee.

Other sundry revenue is recognised when it is earned.

## 1.7 Provisions

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

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

## 1.8 Equity

Ordinary shares are classified as equity.

## 1.9 Current taxes

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

## 1.10 Retirement benefits

The Company participates in 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.

# Beacon Island Share Block Proprietary Limited

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

## 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 the maintenance, upkeep, control and management of the resort.

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

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

#### Credit risk

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

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

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

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

#### Interest rate risk

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

# Beacon Island Share Block Proprietary Limited

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

	2023 R	2022 R
<b>3 Levy surplus before interest and taxation</b>		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
Salaries, wages and benefits	11 671 546	12 034 791
Contributions to retirement funds	808 973	519 878
Management fees	2 591 275	2 425 152
Audit fees	200 946	188 249
Professional and legal fees	32 169	66 464
Other operating expenses	31 278 476	30 829 298
	<b>46 583 385</b>	<b>46 063 832</b>
<b>4 Finance income</b>		
Interest income earned on fixed deposits, call deposits and current account	<b>4 129 428</b>	2 362 124
<b>5 Income tax expense</b>		
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	889 570	601 058
Prior year under provision	-	12 149
	<b>889 570</b>	<b>613 207</b>
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on net non-levy income.		
<b>6 Trade and other receivables</b>		
Trade receivables (refer note 15)	670 447	574 698
Other receivables (refer note 15)	146 801	20 411
Interest receivable	849 978	609 144
SARS - VAT	-	345 759
Prepayments (refer note 15)	9 224 918	7 535 114
	<b>10 892 144</b>	<b>9 085 126</b>
<b>7 Levies receivable</b>		
Levy debtors	706 360	724 245
Repossessed debtors	155 867	152 851
Less: Provision for repossessed debtors	-	-
Opening balance	-	(13 525)
Movement	-	13 525
	<b>862 227</b>	<b>877 096</b>

# Beacon Island Share Block Proprietary Limited

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

	2023 R	2022 R
<b>8 Reserve for property, plant and equipment</b>		
At the beginning of the year	26 887 866	24 054 821
Levy surplus for the year	12 087 156	9 265 224
	<b>38 975 022</b>	<b>33 320 045</b>
Property, plant and equipment additions and replacements during the year	<b>(10 913 980)</b>	<b>(6 432 179)</b>
At year-end	<b>28 061 042</b>	<b>26 887 866</b>
<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 recommended replacement reserve expenditure for 2024 of R19,576,863 (2022: budgeted capital expenditure of R25,800,620 for 2023) that is anticipated to decrease the budgeted reserve fund by R8,970,773 (2022: budgeted reserve fund to decrease by R14,363,681 in 2023). There were capital commitments made for R3,399,478 at year-end (2022: R4,241,007).</p>		
<b>9 Trade and other payables</b>		
Trade payables (refer note 15)	4 921 639	473 664
Other payables		
Accruals (refer note 15)	1 535 397	4 159 924
Provision for auditor's remuneration	199 940	188 090
SARS - VAT	1 586 034	-
Sundry payables (refer note 15)	3 086 018	5 498 191
	<b>11 329 028</b>	<b>10 319 869</b>
<b>10 Share capital</b>		
<b>Authorised and issued</b>		
32,000,000 ordinary shares of 1 cent each	<b>320 000</b>	<b>320 000</b>
<b>11 Fixed deposits held with bank</b>		
Fixed deposits held with bank	<b>46 500 000</b>	<b>45 500 000</b>
<b>12 Cash and cash equivalents</b>		
Bank balances	2 322 899	4 291 550
Cash on hand	19 400	30 468
	<b>2 342 299</b>	<b>4 322 018</b>
<b>13 Levies received in advance</b>		
Levies received in advance	<b>19 997 030</b>	<b>21 655 447</b>

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

# Beacon Island Share Block Proprietary Limited

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

	2023 R	2022 R
<b>14 Property, plant and equipment</b>		
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.		
The Company acquired the rights to a property lease that includes Beacon Island Resort, situated on:  Erf No 253 Plettenberg Bay, Division of Knysna, measuring 1.3365 hectares.  Period of lease - 99 years commencing 1 July 1983.  Rental - R240,000 per annum payable in 12 equal monthly instalments. (refer note 15)		
<b>15 Related party transactions</b>		
The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSHI"). The Company is charged the following fees in terms of the management agreement:		
Short-term rentals	104 927	127 398
Rental pool	414 244	404 812
Management fee	2 591 275	2 425 152
Central accounting and levy collection fees	3 080 030	2 882 574
SSHI provides management services in respect of leases of the commercial areas to third party tenants. The fee for this service is a fixed percentage of gross rentals received by the Company.		
Tenants management	721 628	673 698
Southern Sun Timesharing Proprietary Ltd ("SST") is the accredited rental and resale services provider. During the financial year the Company received the following fee in terms of the management agreement:		
Commission on resale and rental of weeks - SST	(236 511)	(213 626)
Share Registry Management Services ("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	(73 253)	(63 269)
Secretarial fees on repossessed debtors and use agreement fees - SRMS	(14 643)	22 383
The Company also leases the property on which the Beacon Island Resort is situated, from SSHI in terms of a 99 year lease. (refer note 14)		
Lease payments	240 000	240 000
During the financial year the Company paid the following fees to SunSwop (a division of SSHI), that is affiliated to RCI:		
Fees for points on weeks affected by Covid-19	-	(12 316)

# Beacon Island Share Block Proprietary Limited

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

	2023 R	2022 R
<b>15 Related party transactions (continued)</b>		
During the financial year the Company paid the following SSHI internal charges:		
Administration - Information technology, tenanting, industrial relations, training, etc	827 069	610 230
Training	-	33 153
Frequent guest loyalty program	5 669	16 139
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, certain maintenance and operating lease contracts, are recovered from the Company via a loan account.		
Balance owing (to)/by SSHI and its subsidiaries:		
Included in trade receivables (refer note 6)	9 455	10 375
Included in other receivables (refer note 6)	91 403	-
Included in prepayments (refer note 6)	618 190	456 600
Included in trade payables (refer note 9)	(2 858 977)	-
Included in sundry payables (refer note 9)	(1 885 125)	(4 023 492)
Included in accruals (refer note 9)	(14 351)	(46 000)
	<b>(4 039 405)</b>	<b>(3 602 517)</b>
The Company receives rental income from SST for the letting of office space:		
Rental income	(86 189)	(79 510)
In addition, SST provides a rental service and recovers levies from the sale and rental of timeshare weeks on behalf of the Company.		
Balance owing from SST:		
Included in other receivables (refer note 6)	-	11 950
The following entity, related through common directorship, concluded transactions on an arm's length basis to purchase room key cards and wristbands as follows:		
G Kaplan - The Bright Blue Company Proprietary Limited	-	62 020
	<b>Number of weeks</b>	<b>Levies paid</b>
		<b>Levies received</b>
		<b>in advance</b>
		<b>R</b>
		<b>R</b>
SSHI own weeks in the Company as follows:		
SunSwop (a division of SSHI) - 2023 shareholding	115	168 800
SunSwop (a division of SSHI) - 2022 shareholding	163	824 740
		23 000
The following entity, related through common directorship, own weeks in the Company as follows:		
AN Ridl - Club Leisure Group - 2023 shareholding	573	3 244 490
AN Ridl - Club Leisure Group - 2022 shareholding	574	3 102 710
		1 170 394
		964 970

# Beacon Island Share Block Proprietary Limited

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

	2023	2022
	R	R
<b>16 Directors' emoluments</b>		
For their services to the Company, the Directors have been remunerated an agreed upon fee per meeting attended and are reimbursed for costs incurred whilst performing the Company's business. Further, the Directors are insured for medical costs and personal accident. The Directors are also covered by insurance taken out by the Company as indemnification against all liability of any Director towards the Company in respect of negligence, default, breach of duty or breach of trust.		
Directors' emoluments paid for the year:		
LM Hodes	32 000	32 000
G Kaplan	32 000	32 000
J Pieterse	32 000	32 000
AN Ridl	32 000	24 000
RJ Segal	24 000	32 000
JPF van Rooyen	32 000	32 000
	<b>184 000</b>	<b>184 000</b>



# Beacon Island Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements  
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2023

	2023 R	2022 R
<b>INCOME</b>		
Levies	52 719 326	51 022 115
Net rent received	395 458	368 238
Rental pool	620 453	607 219
Short-term rentals	910 131	1 094 070
Sale of capital assets	261 391	30 330
Net non-levy income		
- telephone, rentals, penalties, etc.	523 924	458 167
	<b>55 430 683</b>	<b>53 580 139</b>
<b>EXPENDITURE</b>		
<b>Rooms' expenses</b>		
Cleaning supplies	104 560	151 771
Covid-19 expenses	27 249	75 448
Guest entertainment, Band/Live music and DSTV	4 710 781	4 484 758
Guest supplies	670 093	672 936
Laundry	1 143 829	1 056 351
Personnel costs - outside services	4 624 141	4 253 054
Pest control	28 253	27 619
Plants and decorations	97 120	83 000
Printing and stationery	350 298	238 035
Replacement of linen, towels, uniforms, etc	462 852	1 248 285
Security and banking services	1 958 664	2 094 475
	<b>14 177 840</b>	<b>14 385 732</b>
<b>Administration and general</b>		
Audit fees		
- current year	200 946	188 249
Bank charges	14 888	15 729
Central accounting and levy collection fees	3 080 030	2 882 574
Corporate social initiatives	66 377	158 250
Credit card commission	135 883	196 251
Directors' emoluments	184 000	184 000
Fax and house calls	48 527	57 768
Information technology costs	1 428 098	1 139 869
Insurance		
- premium	913 671	812 654
Licences and permits	141 211	106 569
Loss and damage	95 849	19 448
Loss on repossessed debtors	47 095	11 017
Marketing	31 003	118 844
Postage	12 980	34 303
Professional and legal fees	32 169	66 464
Provision for repossessed debtors	-	(13 525)
Railage, cartage and hire transport	7 422	5 485
Subscriptions	150 684	628 302
SunSwop exchange service	-	(12 316)
Travel - management and Directors	549 982	567 368
	<b>7 140 815</b>	<b>7 167 303</b>

# Beacon Island Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements  
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2023

	2023 R	2022 R
<b>Electricity and water</b>		
Electric bulbs	32 544	24 172
Electricity	2 842 883	2 913 900
Generator fuel	2 257 309	1 309 685
Water	867 045	1 203 659
	<b>5 999 781</b>	<b>5 451 416</b>
<b>Repairs and maintenance</b>		
Buildings and elevators	518 991	650 281
Electrical and mechanical	300 924	309 325
Gardens and grounds	495 499	416 290
Major repairs and maintenance	845 522	630 354
Painting and redecorating	72 453	36 467
Plumbing and heating	52 365	50 870
Room maintenance care	213 224	245 076
Swimming pool cleaning and repairs	137 559	148 914
Vehicles	109 221	200 016
	<b>2 745 758</b>	<b>2 687 593</b>
<b>Company costs</b>		
Municipal rates and taxes / cost recovery	1 207 397	1 151 967
Rent paid	240 000	240 000
	<b>1 447 397</b>	<b>1 391 967</b>
<b>Personnel costs</b>		
Rooms	7 280 359	7 107 339
Administration and general	2 783 095	3 050 912
Repairs and maintenance	2 417 065	2 396 418
	<b>12 480 519</b>	<b>12 554 669</b>
<b>Management fee</b>	<b>2 591 275</b>	<b>2 425 152</b>
<b>Total expenditure</b>	<b>46 583 385</b>	<b>46 063 832</b>
Excess of income over expenditure before finance income and taxation	<b>8 847 298</b>	<b>7 516 307</b>
<b>Finance income</b>		
Interest received	<b>4 129 428</b>	<b>2 362 124</b>
Excess of income over expenditure before taxation	<b>12 976 726</b>	<b>9 878 431</b>
<b>Taxation</b>		
Current year	<b>889 570</b>	<b>601 058</b>
Prior year under provision	-	12 149
	<b>889 570</b>	<b>613 207</b>
Excess of income over expenditure after taxation for the year transferred to reserve for property, plant and equipment	<b>12 087 156</b>	<b>9 265 224</b>

# Beacon Island Share Block Proprietary Limited

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR-ENDED 31 DECEMBER 2022 HELD ON TUESDAY 19 SEPTEMBER 2023 AT 11H01 AT SOUTHERN SUN THE CULLINAN, 1 CULLINAN STREET, CAPE TOWN

## 1 WELCOME AND PREAMBLE

The Chairman of the Company Mr Laurance Hodes welcomed all shareholders in attendance both in person and online through the Microsoft Office Teams platform. He introduced his fellow Directors: Mr Gary Kaplan; Mr Robert Segal; Mr Johannes ("John") van Rooyen; Ms Janine Pieterse; and Ms Laurelle McDonald who were physically present. Mr Anthony Ridl was present through the online platform. The Chairman noted that members of senior management, the company secretariat team, and an audit firm representative were also present.

The Chairman extended a special welcome to the new general manager of the resort, Ms Louise Otto, who had taken over from Mr Barend Olivier. He was pleased to record that the promotion of Ms Otto was a ground-breaking event as she was the first female general manager to work at Beacon Island Resort. She came highly recommended to the Board and the Board supported the change in the management team. The Chairman thanked Mr Olivier for his efforts and assistance over the past few years and wished him very well in his new position as general manager of Mount Grace Hotel and Spa.

The Chairman noted the deputy general manager Ms Ronel Schoeman would also be leaving the Beacon Island team and would be transferring to a resort in uMhlanga. She would also be missed.

## 2 QUORUM

A number of shareholders had tendered their apologies for the meeting and had submitted their forms of proxy for voting purposes. The Chairman noted that 6,357,750 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of approximately 19.87% of the Company's issued share capital. With the required quorum present, being at least three shareholders present and holding at least 5% of the share capital, he declared the meeting duly constituted.

## 3 NOTICE OF MEETING

All shareholders present consenting, the notice of meeting dated 15 May 2023 be and was hereby taken as read.

## 4 VOTING

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

## 5 ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

### ORDINARY RESOLUTION 1

Ordinary resolution 1 as set out in the notice convening the meeting, related to the receipt and adoption of the Annual Financial Statements and accompanying reports contained in the annual report of the Company for the financial year ended 31 December 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 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 was limited to 7 Directors and that the longest serving Directors shall retire at an AGM. By rotation, Mr Kaplan, Ms Pieterse and Mr van Rooyen retired at this AGM and had indicated that they were eligible and available for re-election. No additional nominations had been received to date. No nominations were received from the floor.

# Beacon Island Share Block Proprietary Limited

The Chairman proposed that the meeting take ordinary resolution 3.1 to 3.3, as outlined in the notice of this AGM in the annual report, as read and recommended that the meeting vote for all the eligible Directors en bloc. There were no objections to the proposal or to the election of any of the Directors. It was unanimously RESOLVED that Mr Gary Kaplan, Ms Janine Pieterse and Mr van Rooyen be and were hereby elected as Directors of the Company.

## 8 APPOINTMENT OF AUDIT COMMITTEE

In terms of the Company's MOI, the Company was required at each AGM to appoint an Audit Committee comprising at least 3 members.

### 8.1 ORDINARY RESOLUTION 4.1

Ordinary resolution 4.1 related to the appointment of Mr Gary Kaplan as a member of the Company's Audit Committee. It was unanimously RESOLVED that Mr Gary Kaplan be and was hereby appointed as a member of the Company's Audit Committee.

### 8.2 ORDINARY RESOLUTION 4.2

Ordinary resolution 4.2 related to the appointment 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 appointed as a member of the Company's Audit Committee.

### 8.3 ORDINARY RESOLUTION 4.3

Ordinary resolution 4.3 related to the appointment of Ms Laurelle McDonald as a member of the Company's Audit Committee. It was unanimously RESOLVED that Ms Laurelle McDonald be and was hereby appointed as a member of the Company's Audit Committee.

## 9 INSURED VALUE OF PROPERTY

As recommended by independent quantity surveyors Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property amounted to R610,283,704 (Buildings valued at R507,663,658 and furniture, fittings and equipment valued at R102,620,046). It was unanimously RESOLVED that the insured value of the property be and was hereby approved at R610,283,704.

## 10 NON-EXECUTIVE DIRECTORS' FEES

### 10.1 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 4 years and was not recommended for increase for the year ahead. It was unanimously RESOLVED that in terms of the provisions of Section 66(9) of the Companies Act 71 of 2008 that R8,000 (Vat payable to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors and/or members of the sub-committees, per meeting or cluster of meetings in respect of the period from 20 September 2023 until the next AGM of the Company, be and was hereby approved.

## 11 OTHER BUSINESS

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

The Chairman invited Mr Olivier to present his report to the meeting. Mr Olivier thanked the shareholders present for their support and kindness extended to him during his appointment as general manager of Beacon Island Resort. He was very sad to be leaving the resort family but was moving to another property within Southern Sun.

Mr Olivier explained that the management team and the Directors carefully reviewed the share block's 10-year capital expenditure schedule and the reserves throughout the year, prior to planning any major project. He mentioned that the rooms refurbishment project was completed in 2019; the foyer refurbishment project was completed in 2020; and the cascades' refurbishment project was completed in 2021. The property looked spectacular and all the major works had been completed.

# Beacon Island Share Block Proprietary Limited

Together with staff, the social and ethics committee members researched its local community's needs and allocations were planned within the share block's corporate social investment ("CSI") to assist where possible and hopefully meet some needs. The support or donation towards an initiative or organisation was not a blanket-approach and rather a more personal and co-operative approach where the committee met with the representatives of each organisation or initiative to establish an ongoing relationship.

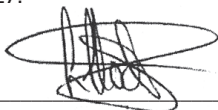
Together with photographic evidence, Mr Olivier presented an overview of the following achievements and results during the 2022 year:

- Corporate social investment ("CSI"):
  - Kranshoek Kleuterskool: Financial contribution towards settlement of municipal account;
  - Volunteering SA: Donation of stationery and equipment for schools in Kwanokuthula;
  - Wittedrif Primary School: Donation of stationery and installation of security bars and gates;
  - Muddy Pooches: Donation of dog food;
  - Sterreweg Day Care for Disabled Children: Donation of equipment for disabled children;
  - Sterreweg Day Care for Disabled Children: Children hosted on Mandela Day and provided fun activities and meals;
  - Plett Animal Welfare Service ("PAWS"): Donation of equipment for new animal clinic;
  - PAWS: Amazing Race challenge. A selfie frame erected with Robberg Reserve in the background;
  - Heritage Day: Staff dressed up and extended celebrations over the entire weekend;
  - Earth Hour: staff and guests took part in a planned 60-minute period of no electricity to create awareness and reduce carbon footprints;
  - Beach clean-up: Staff and guests took part each month; and
  - Prize letters, sponsorships and donation of old equipment and linen: Extended to Durbanville Kinderhuis Children's Home; Vistarus Mission Station; Santa; Wittedrif Primary School; Volunteering SA; CHOC Childhood Cancer Foundation of South Africa; and so on.
- Recycling:
  - 48% of total waste was recyclable; and
  - Paper, glass, plastic and metal accounted for 32.9 tons of recyclable waste.
- Consumer relations:
- Guest feedback: Tripadvisor 85%; RCI; 92%; and Google 85%.
- RCI Awards:
  - Winner of the Top Gold Crown Resort in Large Resorts category;
  - Winner in Resort Maintenance and in Unit Maintenance category;
  - 3rd place in Check-In and Check-Out process and Service in Hospitality category; and
  - 4th place in Housekeeping category.
- Capital expenditure projects:
  - Resurfacing of tennis court and installation of new spotlights;
  - Paving of Robberg lawn seating area and installation of new fence;
  - New loungers and cushions for outdoor swimming pool area;
  - Upgrade of air conditioning units; and
  - Refurbishment of Lookout Room and Sea Lounge spaces.
- Current capital expenditure projects:
  - Upgrade of wifi solution;
  - Replacement of door locks;
  - Replacement of lifts;
  - Replacement of generator; and
  - Replacement of hot water vessels.

## 12 IN CLOSING

The Chairman noted that occupancy over the past year had been in excess of 85%, which was phenomenal during the current economic conditions, with the reserves growing to R26.888m and investments increasing to R45.5m. The property was in good shape and the share block was financially secure.

The Chairman once again welcomed Ms Otto to the team and there being no further business, declared the meeting closed at 11h27.



CHAIRMAN

20 November 2023

DATE



