

Sabie River Share Block Proprietary Limited

Registration No. 1963/003920/07



Annual Report

for the year ended 31 December 2017

Sabie River Share Block Proprietary Limited

Annual Financial Statements

for the year ended 31 December 2017

COMPANY INFORMATION

Registration number: 1963/003920/07
Registered address: Palazzo Towers East
Montecasino Boulevard
Fourways
2055
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 - 32

The annual financial statements have been audited as required by Section 30(2)(b)(1) of the Companies Act of South Africa. Warren Whiteboy CA(SA), in his capacity as Financial Manager of Sabie River Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2017

It has been another exciting year for Sabi River Sun Resort and I am very pleased for the opportunity to have been part of this wonderful share block. This is my second year of reporting to you as chairman and I am happy to confirm that this unique resort keeps getting better and better.

First and foremost, I would like to say how thrilled I am with the new developments on the property. The new entrance gate sets the tone for what lies beyond while the new golf clubhouse and golf shop has enhanced the entire area. It has taken your board and management team more than a year to get these great additions into effect and then to completion. We knew that the project would add value, but it has turned our phenomenal property into something absolutely amazing. The enlarged swimming pool area has become another great feature for all to enjoy. At this point, I would like to thank the management team and my fellow board members for their invaluable input during many hours of discussion regarding the design, implementation and completion of the projects. Your board is truly proud of what the property has gained and I am sure that all shareholders will be impressed with the result.

I thank our general manager, Wayne Wilson, for his continued commitment and dedication while maintaining our "special piece of heaven" over the last year. Sabi River Sun certainly provides that sense of peace and tranquillity especially after a hard-earned round of golf. Shareholders can appreciate the well-kept gardens while walking around the resort or while having a refreshing beverage on the chalet patio. As we have come to expect, the staff at Sabi River Sun are happy, friendly and ever so helpful. I believe that happy staff will result in happier guests. The share block is well run and is in a sound financial position, as can be seen from the favourable financial results and healthy reserves.

Cindy Thomas (chef Cindy) was promoted to deputy general manager in September 2017 and we wish her only success in her new role. Cindy has been a blessing in the kitchen over the years, by varying and re-creating menus and delicious meal options for everyone to enjoy. Cindy has shared her wealth of knowledge, skills and versatility with the kitchen staff and the team at Sabi River Sun is very proud of the food and beverage offering. The resort welcomes the new executive chef Kascha Bekker to the team. Chef Kascha brings with her a wealth of local and international experience and I look forward to receiving positive feedback from her influence.

Resort Facilities

In early 2017, Sabi River Sun was approached by Bruce and Gill Fordyce to join the internationally acclaimed and ever-growing South African parkrun family. Parkrun was introduced to South Africa a few years ago and there has been great excitement and attendance at Sabi River Sun, for the weekly 5km run / walk event. The event is held every Saturday morning at 8am and the route takes participants all over our beautiful property. Parkrun does not interfere with early play of golf and feedback from participants has so far been tremendous. The organisers and participants truly love our "special piece of heaven" and for those wishing to stay a little longer to enjoy the tranquillity and beauty, a small buffet breakfast is on offer. The number of parkrun participants has grown since it first started to an average of 100 participants each week.

Sabi River Sun has certainly received good exposure from the event and weekend packages will soon be offered for travelling parkrun guests who like to visit all parkrun locations. Sabi River Sun was the 110th parkrun to open in South Africa and Bruce Fordyce has proudly stated that Sabi River Sun is one of his top 5 parkrun events to participate in, due to the location, good standard of the property, pleasant welcome from staff and the great scenery while running/walking around the resort.

The new entrance security gate and guard house is a great first impression for the resort and I have to admit, a welcomed enhancement to the sense of arrival, as well as an improved sense of safety and security. The new entrance allows our security team to better record vehicles, tour group buses and persons entering the property. Staff members and all contractors are searched in a private and secure area. Your board understands that security is of paramount importance to you and this area will always receive great focus for improvement.

The new golf shop is a wonderful addition and very well received by golfers as well as non-golfers. The golf shop is much larger than the previously located shop and with the added space and better display options, more items and a much greater variety of items are available for purchase. New golf sets are available in the shop for hire. The golf shop is doing phenomenally well and to date, well ahead of turnover against the previous year. The new location has certainly been very popular to timesharers, hotel guests and visitors. The golf bar is quite popular not only to the golfing fraternity. I do recommend a visit for the amazing views of the golf course while relaxing on the verandah over a scrumptious lunch or cold beverage.

The golf course has undergone a few upgrades over the past year and a very good maintenance programme has resulted in the fabulous golf course that all golfers can enjoy. The new golf cart pathways and beautiful new gardens are something to behold. Thankfully the property received increased rainfall and with good landscaping, the trees, plants and colours in the landscaping are amazing. An aloe nursery has been planted for use around the property and the nursery has taken off very well. Our landscaping crew, headed by Mark Pain, has once again done us proud with phenomenal work and efforts made on the property. Mark and his team take special care and have tremendous passion and respect for our property, which we all appreciate and are so thankful for. On behalf of your board, I would like to extend a great thank you to Mark and his team for the initiatives, advice and great workmanship across the Resort. The golf course only receives positive feedback and memberships have increased over the past year which is a good sign. At this time, I encourage shareholders and/or outside persons wishing to become a member of the Golf Club, to get in touch with Gavin Brough who is available in the golf shop, to provide you with all the membership details.

The new golf clubhouse celebrated its official opening in November 2017 and a plaque is proudly hung outside the golf bar for viewing. The golf day in celebration of the official opening was well attended and enjoyed by many. Thank you to all who were able to attend this celebration with us.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2017

Our hippo population has slowly increased and they certainly are enjoying the cleaner and deeper dam. They are truly amazing to watch. Our crocodile population has also increased with approximately 32 baby crocodiles recorded recently. Management does take a keen interest in monitoring the number of hippos and crocodiles on the property.

The dam de-silting project in the hippo dam has progressed and is well underway for further progress. Excess silt has been cleared as often as possible with the weir working very well. Negotiations are underway to have a second weir installed to relieve pressure on the first weir and to further assist in removing silt build up. Although the weirs serve a great purpose, they will also, once the second is installed, create a water feature for golfers to enjoy while on the course, at the 15th hole. Wayne has been working extensively to obtain assistance from the water authority to alleviate the excess silt and rubbish flowing down the river and into the property. All properties along the river have an obligation to minimise any negative influence in the area and we endeavor to work with all our neighbours up and down stream, to comply with regulations. To further improve the dams and water quality, the rapidly growing hyacinth plant is being removed. The management team is working hard at improving the very necessary dams and will continue to provide great focus.

Financial Results for the Year Ended 31 December 2017

Shareholders are referred to the statement of comprehensive income set out on page 13 which 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 2017 as set out on page 13 in this annual report, reflects a surplus of R14.3m (2016: R12.2m) after taxation which was transferred to the reserve for property, plant and equipment.

Income

Income increased compared to 2016, with interest income significantly higher than the previous year due to re-investments. Net finance income increased by 11.3% year-on-year. The increase in the sale of capital assets resulted from the trade-in on the housekeeping caddy that was replaced during the year. Management continues to seek ways of increasing revenue particularly from short term rental pool.

Expenditure

Total expenditure for the year was R25.6m (2016: R25.1m). This was an increase of 2.1%, which was lower than inflation. Major expense variances are as follows:

- **Rooms** – Rooms expenditure increased year-on-year by 5% with above inflationary increases in cleaning supplies, guest entertainment and outside services personnel costs. The increase in cleaning supplies followed the outsourcing of the washing of the chalet rugs, previously done in-house.

Outside services personnel costs increased following changes in Afriboom's contract, with savings recorded in laundry. Guest entertainment increased following the purchase of additional Christmas decorations.

- **Administration and general** – There was an 8.4% increase in administration and general expenditure in comparison with 2016. Above inflationary increases were recorded in marketing, travel, subscriptions, printing & stationery, and credit card commissions. The increase in marketing costs resulted from costs relating to the brand essence workshop, as well as advertising in the Kruger Lowveld publication and Lowveld Media Holiday guide. Travel costs were up due to additional travel undertaken during the rebuilding of the pro shop and golf bar, main pool, bridges, and main gate. Subscriptions include the addition of the Community Schemes Ombudsman Services levy. Printing and stationery increased due to bulk purchases of guest welcome envelopes and stationery still on hand at year end. Credit card commissions show an increase year-on-year following the increase in levy payments being made via credit cards.
- **Electricity, water and refuse** – The overall decrease in electricity, water and refuse at 6.6% was largely due to a reduction in generator fuel required following fewer power outages in 2017 compared to 2016.
- **Repairs and maintenance** – Repairs and maintenance expenditure was down on 2016 by 8.9%. Significant decreases were recorded in vehicle costs, engineer's tools, painting and decorating, plumbing and heating and major repairs. Above inflationary increases were recorded in air-conditioning following a service contract being entered into, radio and television due to repairs being carried out on television sets and head-end equipment, electrical and mechanical following repairs to DB boards and replacement of various thermostats on the chalet stoves.
- **Estate maintenance** – Estate maintenance showed an increase of 5.7% in line with the budget increase for the outside garden and grounds contractor and golf subscriptions.
- **Capital charges** - Capital charges were down on 2016, with annual report and statutory costs decreasing due to the electronic distribution of the annual report. Furniture and equipment leases decreased year-on-year due to changes in the contract.
- **Management fee** – The management fee increased in terms of the management agreement.

Statement of Financial Position

The statement of financial position (balance sheet) which is reflected on page 14, together with the related notes thereto represents the financial position of the company as at 31 December 2017. The reserve for property, plant and equipment for the timeshare chalets has increased to R24.1m from R19m at December 2016. Total capital expenditure was R9,123,576 (2016: R10,363,727) while cash and cash equivalents amounted to R37.9m (2016: R36.8m).

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2017

The following major capital expenditure was incurred during the year:

Pro shop, golf bar, main pool, bridges and main gate	R 5 596 524
Patio roofs	R 839 350
Pool loungers/umbrellas	R 532 265
Multi purpose field	R 292 264
Housekeeping vehicle	R 289 221
Sewerage plant	R 231 515
Golf course improvements	R 228 438
Beds	R 145 608
Garden & grounds small tools & irrigation	R 130 237
Desilting dam	R122 261
Two way radios	R 62 665
Refurbishments	R 62 343
Street lights/bollards	R 61 500
Airconditioners	R 61 395
Tv sets	R 59 097
Telephony	R 54 323
Oven cooker hoods and hobs	R 51 471
Room safes	R 49 082
Chalet gardens	R 40 860

Refurbishment

The management team has received valuable input from timesharers and guests regarding the refurbishment of the chalets. Your board continues to investigate and discuss the refurbishment project and once the scope of work and costs have been finalised, two mock up units will be completed for final comment. Valuable suggestions came from the two mock up chalets completed last year when chalets 95 and 96 were rebuilt. Your board has taken many comments into consideration and are preparing for an amended refurbishment scope for the chalets. Once sufficient feedback has been obtained on the new mock up units, the 10-year capital expenditure schedule will be reviewed to complete an affordable roll out of the refurbishment works.

VOASA

VOASA is a self-regulatory member-based trade association for the shared vacation ownership industry in South Africa. VOASA exists to protect consumer rights and commit to ongoing growth in the timeshare industry, in a positive and organized manner. Its code of conduct outlines the intention to govern business practices by protecting the interests of both consumers and the industry and to promote an equitable, negotiated balance between the two. VOASA has been involved in last year's National Consumer Council (NCC) public inquiry and conducted numerous meetings with inter alia the Consumer Goods and Services Ombud, the NCC and various consumer law consultants. The main areas of concern centered around the cancellation of agreements, prepayments of levies and holiday contributions/savings, reservations, availability of accommodation and the resale/surrender of points held in a vacation club.

The NCC's panel heard the discussions and welcomed presentations from operators in the industry and the Commissioner working to provide the panel's report for release to the industry and other role-players. VOASA will continue to monitor the process and will advise us on any further developments, as they unfold.

Your Share Block remains a member of VOASA and both myself and Anthony Ridl represent the share block and industry in general, on the VOASA board. Anthony is Chairman of the VOASA board.

Social and Ethics Committee Report

Our social and ethics committee consists of myself, Wayne Wilson and Raymond Jeffray. I welcome you to read the report of the social and ethics committee provided on page 8. The committee certainly has some exciting information to share with you and will be presenting a comprehensive slideshow on the results and achievements at the AGM.

General

I am very pleased to announce that the management agreement with Southern Sun Resorts, a division of Tsogo Sun Group, has been renewed for a further 11 years. Following comprehensive and lengthy negotiations, I am confident that all considerations have been taken into account for our property and for all shareholders. Shareholders can be assured that the Southern Sun Resorts team will continue the tradition of providing great service delivery. Your board maintains a great working relationship with the management team. I am confident that Wayne and his team, as well as the support team from Southern Sun Resorts, will always endeavour to provide great attention and care for our peaceful and picturesque property.

I encourage every shareholder to either attend this year's AGM on 24 July 2018 or to kindly complete the proxy form enclosed in this Annual Report on page 5 should you find yourself unable to attend.

Conclusion

In conclusion, I again thank my fellow directors for their attention, commitment, reliability and dedication in serving the interests of all shareholders. I am grateful to have such a dependable and knowledgeable team at my side. I thank Southern Sun Resorts / Tsogo Sun for the committed and reliable service given this past year and for the eagerness always extended. Last but not least, I would also like Wayne for the successes achieved over the year and for the wonderful service that he and his fellow staff members extend to all shareholders and guests. Wayne is very much appreciated.

I wish you all a great and prosperous year ahead.



Adam

Adam Fuller
Chairman

Sabie River Share Block Proprietary Limited
Registration Number: 1963/003920/07
("the Company")

Registered Office
Palazzo Towers East
Montecasino Boulevard
Fourways, 2055

Private Bag X200, Bryanston, 2021
Telephone (031) 561 2204
Facsimile (031) 561 7334
Email: Resorts.companysecretarialservices@tsogosun.com

Notice of Meeting

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of the Company will be held at on **Tuesday, 24 July 2018 at 13h00 at Garden Court OR Tambo International Airport, 2 Hulley Road, Kempton Park, Johannesburg**, for the following purposes:

Agenda

1. Welcome, Notice of Meeting, Attendance, Apologies and Proxies

2. Establishment of a Quorum

3. Adopt the Minutes of the Annual General Meeting held on 25 July 2017

4. Matters Arising from the Minutes of the previous Annual General Meeting

5. Resolution 1: Receive, consider and adopt the report of the Directors, the report of the Audit Committee, the report of the Social and Ethics Committee and the Annual Financial Statements for the year ended 31 December 2017.

6. Resolution 2: Appoint auditors to the Company.

7. Resolution 3: Elect Directors (representing the "A" and "C" class shareholders) to the Board for the ensuing year. The following Directors retire at the Annual General Meeting, but being eligible, are available for re-election.

- Ian Cruickshank
- Raymond Jeffray
- Ajith Ramsarup
- Anthony Ridl

The Board is limited by the Memorandum of Incorporation to thirteen (13) Directors in number, the "A" and "C" class shareholders together being entitled to appoint four (4) Directors, the "D" class shareholders being entitled to appoint two (2) 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 Boshoff, Fuller, Pienaar (appointed 1 April 2017), Tyali, Wilson and Whiteboy. It would facilitate secretarial procedures if nominations for the appointment of those Directors representing "A" and "C" class shareholders could be received by no later than 13h00 on Thursday, 19 July 2018 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.

8. Resolution 4: Appoint three (3) Directors as members of the Audit Committee. The current members are Ian Cruickshank, Ajith Ramsarup and Anthony Ridl.

9. Resolution 5: Appoint three (3) members to the Social and Ethics Committee. The current members are Adam Fuller, Raymond Jeffray and Wayne Wilson.

10. Special Resolution 1: Authorise payments of remuneration/emoluments to the Directors in respect of the 2018 year. Directors to be paid R7,000 per Board Meeting, per Audit Committee Meeting, per Social and Ethics Committee Meeting, or cluster of Meetings. The Company is authorised to pay any Vat payable, to the extent applicable to this remuneration.

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 (2) years. Section 66(12) requires that any particular Director appointed to more than one (1) committee of the Company, be calculated only once. Directors will be entitled to be paid attendance fees/emoluments in respect of the above period.

11. To Table, for Discussion, the Insured Value of the Property

12. Report of the Social and Ethics Committee

13. General Manager's Report

14. General: To transact any other business which ought to be transacted at an Annual General Meeting. Items for discussion under any agenda item should be written to the Company Secretary at the Company's registered office or email address, by no later than 13h00 on Thursday 19 July 2018.

Subject to the provisions of the Companies Act 71 of 2008, no business shall be transacted at any general meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business. The quorum at any general meeting shall be no less than four (4) shareholders, comprising at least three (3) A, "C" and "D" class shareholders and one (1) "B" class shareholder, holding at least five percent (5%) of the share capital, who are entitled to vote and who are present in person or by proxy at the commencement and throughout the meeting. Notwithstanding the foregoing, no quorum will be regarded as having been properly constituted at any general meeting of the Company, unless a "B" class shareholder is present throughout the meeting as Chairman.

In the event of a quorum not being present, within half-an-hour of the appointed time for the meeting to begin, the Annual General Meeting will be automatically adjourned for one (1) business day 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. 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. **Proxy forms should be forwarded to reach the registered office of the Company, for the attention of the Company Secretary, by no later than 13h00 on Thursday, 19 July 2018. A proxy form is enclosed for this purpose.**

The record date for determining shareholder's rights is 09 July 2018.

By order of the Board
Southern Sun Secretarial Services (Pty) Limited
22 May 2018

Sabie River Share Block Proprietary Limited
 Registration Number: 1963/003920/07
 ("the Company")

Registered Office
 Palazzo Towers East
 Montecasino Boulevard
 Fourways, 2055

Private Bag X200, Bryanston, 2021
 Telephone (031) 561 2204
 Facsimile (031) 561 7334
 Email: Resorts.companysecretarialservices@tsogosun.com

Form of Proxy for use by shareholders at the Annual General Meeting of the Company to be held on **Tuesday 24 July 2018 at 13h00**.

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 Annual General Meeting.

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

	In Favour of	Against	Abstain
Resolution 1: Adopt Annual Financials			
Resolution 2: Appoint Auditors			
Resolution 3: Elect Directors			
• Ian Cruickshank			
• Ajith Ramsarup			
• Raymond Jeffray			
• Anthony Ridl			
Resolution 4: Appoint Audit Committee			
• Ian Cruickshank			
• Ajith Ramsarup			
• Anthony Ridl			
Resolution 5: Appoint Social and Ethics Committee			
• Adam Fuller			
• Raymond Jeffray			
• Wayne Wilson			
Special Resolution 1: Authorise Director Emoluments			

Signed at this day of 2018.

Signature assisted by (where applicable).

Unless otherwise instructed, specifically as above, the 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 initialed 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. **Proxy forms should be forwarded to reach the registered office of the Company, for the attention of the Company Secretary, by no later than 13h00 on Thursday, 19 July 2018.**

Sabie River Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2017

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 financial statements presented on pages 13 to 22 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities and in the manner required by the South African Companies Act 71, of 2008.

The Directors and Management are also responsible for maintaining the Company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the 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 maintained. 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, Grant Thornton Durban, audited the annual financial statements and their report is presented on pages 11 and 12.

Approval of Annual Financial Statements

The annual financial statements set out on pages 13 to 22 were approved by the Board of Directors on 22 May 2018 and are signed by:



AH Fuller
Chairman



IGS Cruickshank
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 2017, the Company has filed all required returns and notices in terms of the 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.



GE Stevenson
For Southern Sun Secretarial Services Proprietary Limited

Sabie River Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2017

The audit committee has pleasure in submitting this report, as required by Section 94 of the Companies Act, 71 of 2008. The audit committee is an independent statutory committee appointed by the shareholders.

1. Duties of the audit committee

The audit committee has discharged its duties as follows:

- 1.1 Reviewed the year-end annual financial statements, culminating in a recommendation to the board. In the course of its review the committee:
 - took appropriate steps to ensure that the annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, as suitably modified for South African share block companies;
 - considered and, when appropriate, made recommendations on internal financial controls;
 - deals with concerns or complaints relating to the following:
 - accounting policies;
 - the auditing or content of annual financial statements; and
 - internal financial controls.
- 1.2 Reviewed the external audit reports on the annual financial statements;
- 1.3 Reviewed the risk management reports and where relevant, made recommendations to the board;
- 1.4 Considered and discussed the effectiveness of risk management, controls and the governance processes;
- 1.5 Verified the independence of the external auditors and of any nominee for appointment as the designated auditor;
- 1.6 Approved the audit fees and engagement terms of the external auditors; and
- 1.7 Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.

2. Members of the audit committee

- 2.1 The members of the audit committee comprise three independent non-executive directors being Ian Cruickshank, Ajith Ramsarup and Anthony Ridl.
- 2.2 The audit committee has at all times acted in an independent manner.

3. 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.

4. Attendance

The external auditors, in their capacity as auditors to the Company, attended and reported to the meetings of the audit committee. Relevant senior managers attended the meeting on invitation.

5. Confidential meetings

Audit committee agendas provide for confidential meetings between the committee members and the external auditors.

6. Independence of external auditors

The audit committee has satisfied itself that the external auditor is independent of the Company, as set out in Section 94 (8) of the Companies Act 71, of 2008. Requisite assurance was provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.



Ian Cruickshank

Chairman
22 May 2018

Sabie River Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2017

The social and ethics committee of Sabie River Share Block is a statutory committee which is governed by the Companies Act of South Africa, King IV and the responsibilities allocated to it by the board.

ROLE OF THE COMMITTEE

The committee serves to ensure the codes of best practise relating to:

- Social and economic development
- Corporate citizenship
- Environmental health & public safety
- Consumer relations
- Labour & employment relations
- The Tsogo Values

RESPONSIBILITIES OF THE COMMITTEE

The committee is responsible for the following:

- Ensure the resort's energy, water & waste programmes are effective and contribute towards the sustainability goals.
- Ensure good corporate citizenship.
- Monitor employee engagement and development.
- Ensure health & public safety remain a focus.

COMPOSITION AND FUNCTIONING

The committee comprises three (3) board directors namely Raymond Jeffray, Wayne Wilson and Lubabalo Tyali. Additional board members and employees are invited to attend meetings and assist.

ACTIVITIES OF THE COMMITTEE

- The social & ethics programme at Sabi River Sun is focused on ensuring the resort's environmental programme has a robust approach to energy, water and waste management. The energy & water consumption is controlled by software that tracks consumption through a series of meters. These meters send alerts to Management when consumption levels are abnormal which allows for any issues to be addressed before wastage occurs. The system also allows tracking of trends and puts emphasis on using the resources at optimal times of day. This approach to our resource management has resulted in a year-on-year decrease in energy and water consumption over a period where our business volumes have actually increased. The resort's energy management system received the RCI Environmental Management award for 2017, in the Best Energy Management category.
- The waste management programme at Sabi River Sun not only benefits the local environment but has had a positive financial impact on the enterprise development business that runs the programme. This business was set up for local unemployed community members to sort the waste into the various categories and then sell them to the various recycling entities which provides them with a sustainable income. Wet waste (food) composting occurs. It is located in a courtyard behind the main hotel kitchen where fresh off-cuts from food preparation are converted into compost through the use of pro-biotic products. All these initiatives have resulted in a reduction in the amount of waste sent to land fill sites and has reduced the amount of waste removal skips required from three (3) each week to one (1) each week.

The team at Sabi River Sun are always researching and considering new systems and products that can further improve the efficiencies of our initiatives.

- Sabi River Sun continues to support the Sizabantwana non-profit organisation whose purpose is to provide safe havens for vulnerable children in the Hazyview & Bushbuck Ridge communities. These facilities take care of children after school hours and provide them with a hearty meal and assistance with their school work in a safe and caring environment. Sabi River Sun Resort and Golf Club have collectively raised R91k over the past 12 months. These funds have been allocated towards building another centre. Although Sizabantwana is the resort's main charity focus, there are many other organisations such as the local schools, cancer awareness programmes and the Endangered Wildlife Trust that get consistent support from the Resort. The goal is to remain an active and beneficial member in the local community.
- The employees at Sabi River Sun are its most valuable asset and there is a sustained effort to develop and train the employees. The training programs are generally run by our in-house Tsogo Academy and are designed to not only make the employees proficient in their current field of work, but also encourages them to grow into roles of greater responsibility. All these training initiatives feed into the values that we at Tsogo Sun hold dearly, which covers teamwork, service, opportunity, growth and ownership (TSOGO).
- The goal for the year ahead is to hone this training and these values into creating a new resort essence of "legendary experiences" for our guests – exciting times ahead.

Wayne Wilson

Chairman
Social and ethics committee

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2017

The Directors present their annual report of the Company for the year ended 31 December 2017.

1 Business Activity

The Company and its subsidiary owns the land and buildings known as Sabie River Resort which comprises of 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 which 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.
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 shareholder has 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 against this amount annually. Before providing for property, plant and equipment additions and replacements, a surplus of R14,300,046 (2016: R12,152,732) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none is recommended (2016: R Nil).

3 Share capital

The authorised and issued share capital has remained unchanged.

4 Insurance

The chalet and hotel buildings and their 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.

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2017

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

IGS Cruickshank *
RDT Jeffray **
AB Ramsarup *
AN Ridl *

Representing the "B" class shareholders

PJ Boshoff
AH Fuller ** Chairman
PM Pienaar Appointed 1 April 2017
L Tyali **
WG Whiteboy
W Wilson **

* Audit Committee Members

** Social and Ethics Committee Members

The Secretary of the Company is Southern Sun Secretarial Services Proprietary Limited. The business and postal addresses are:

Business:	Postal:
Palazzo Towers East	Private Bag X200
Montecasino Boulevard	Bryanston
Fourways	2021
2055	

6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited, of which PJ Boshoff is a Director.

7 Material events after year end

The board has successfully negotiated an extension of the management contract with Southern Sun Hotel Interests Proprietary Limited for a period of 11 years effective from 1 January 2018.

The Directors are not aware of any other 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 Southern Sun Hotel Interests Proprietary Limited, a Company registered in the Republic of South Africa. The ultimate holding Company is Tsogo Investment Holding Company Proprietary 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, which did not change during the year. Sabie Golf Proprietary Limited is a property company which 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 members to prepare group 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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sabie River Share Block Proprietary Limited set out on pages 13 to 22, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other 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 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on pages 23 to 24. 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

Auditor's responsibilities for the audit of the financial statements

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

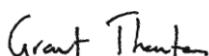
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette 39475 dated 04 December 2015, we report that Grant Thornton Durban has been the auditor of Sabie River Share Block Proprietary Limited for 1 year.



GRANT THORNTON

Registered Auditors
Practice number: 905690

per H D Paruk
Partner
Registered Auditor
Chartered Accountant (SA)

22 May 2018

2nd Floor
4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
4019

Sabie River Share Block Proprietary Limited

Statement of Comprehensive Income - "A" and "C" Class Shareholders for the Year Ended 31 December 2017

	Note	2017 R	2016 R
Income		37 775 560	35 277 370
Levy income		36 855 855	34 610 121
Other income		919 705	667 249
Expenses		(25 593 129)	(25 057 817)
Levy surplus before interest and taxation	3	12 182 431	10 219 553
Net finance income	4	2 812 541	2 526 959
Levy surplus before taxation		14 994 972	12 746 512
Income tax expense	5	(694 926)	(593 780)
Levy surplus for the year		14 300 046	12 152 732

Statement of Comprehensive Income - "B" class shareholders for the year ended 31 December 2017

	2017 R	2016 R
Revenue		
Levy income	218 147	204 554
	218 147	204 554
Expenses		
Audit fees	(6 000)	(6 000)
Rates	(212 147)	(198 554)
	(218 147)	(204 554)
Levy surplus for the year	-	-

Sabie River Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2017

	Notes	2017 R	2016 R
ASSETS			
Current assets			
Trade and other receivables	6	2 608 509	3 399 473
Levies receivable	7	261 060	511 145
Cash and cash equivalents		37 914 288	36 834 348
Total current assets		40 783 857	40 744 966
Total assets		40 783 857	40 744 966
EQUITY			
Capital and reserves			
Share capital	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders	8	24 143 325	18 966 855
Total equity		24 157 251	18 980 781
LIABILITIES			
Non-current liabilities			
Exchange fee rebate		19 713	256 239
Total non-current liabilities		19 713	256 239
Current liabilities			
Trade and other payables	9	4 167 120	9 795 196
Levies received in advance		11 744 847	11 118 970
Current tax liabilities		694 926	593 780
Total current liabilities		16 606 893	21 507 946
Total liabilities		16 626 606	21 764 185
Total equity and liabilities		40 783 857	40 744 966

Statement of Changes in Equity for the Year Ended 31 December 2017

	Notes	2017 R	2016 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 end of year	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders			
At beginning of year		18 966 855	17 177 850
Levy surplus for the year		14 300 046	12 152 732
Property, plant and equipment additions and replacements during the year	8	(9 123 576)	(10 363 727)
At end of year		24 143 325	18 966 855

Sabie River Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2017

	2017 R	2016 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	14 994 972	12 746 512
Adjustments for:		
Net interest received	(2 812 541)	(2 526 959)
Non cash items		
- Movement in exchange fee rebate	(236 526)	(236 526)
Net surplus before working capital changes	11 945 905	9 983 027
Changes in working capital		
- Movement in levies receivable	250 085	1 738
- Movement in trade and other receivables	790 964	(24 081)
- Movement in levies received in advance	625 877	892 020
- Movement in trade and other payables	(5 628 076)	5 132 039
Cash flows from operating activities	7 984 755	15 984 743
Net interest received	2 812 541	2 526 959
Tax paid	(593 780)	(503 754)
Net cash inflow from operating activities	10 203 516	18 007 948
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(9 123 576)	(10 363 727)
Net cash outflow from investing activities	(9 123 576)	(10 363 727)
Net movement in cash and cash equivalents	1 079 940	7 644 221
Cash and cash equivalents at beginning of year	36 834 348	29 190 127
Cash and cash equivalents at end of year	37 914 288	36 834 348

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SME's) and the Companies Act of South Africa. 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 financial statements in conformity with IFRS for SME's requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current year, there were no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates were significant to the annual financial statements.

1.2 Reserve for property, plant and equipment

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

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

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

1.3 Leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.4 Financial instruments

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less 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 the financial instruments are reflected in the statement of comprehensive income.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

1.5 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks. 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.

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 operates 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.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

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 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 2017

	2017 R	2016 R
3 Levy surplus before interest and taxation		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
- Salaries, wages and benefits	5 596 605	5 532 331
- contributions to retirement funds	376 221	358 645
Management fees	2 313 975	2 178 372
Audit fees	127 755	155 866
Professional and internal audit fees	93 867	(2 650)
Other operating expenses	17 084 706	16 835 253
	25 593 129	25 057 817
4 Net finance income		
Interest earned on fixed deposits, call deposits and current account	2 812 541	2 526 959
	2 812 541	2 526 959
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 owners in terms of Section 10(1)e of the Income Tax Act.		
Current	694 926	593 780
	694 926	593 780
A reconciliation of the taxation charge is not considered appropriate as share block companies are liable for taxation only on their net non-levy income.		
The shareholder 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 (Refer Note 13)	88 137	186 384
Other receivables	138 409	200 255
Receiver of Revenue - Vat	352 874	749 481
Prepayments (Refer Note 13)	1 212 020	1 057 922
Interest receivable	817 069	1 205 431
	2 608 509	3 399 473

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

	2017 R	2016 R
7 Levies receivable		
Levy debtors	182 295	176 241
Reposessed debtors	170 368	441 021
Provision for reposessed debtors	(91 603)	(106 117)
- Opening balance	(106 117)	(90 407)
- Movement	14 514	(15 710)
	261 060	511 145
8 Reserve for property, plant and equipment - "A" and "C" class shareholders		
At beginning of year	18 966 855	17 177 850
Levy surplus for the year	14 300 046	12 152 732
	33 266 901	29 330 582
Property, plant and equipment additions and replacements during the year	(9 123 576)	(10 363 727)
At end of year	24 143 325	18 966 855
<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 ten years.</p> <p>The Directors have approved capital expenditure for 2018 of R7,667,614 (2016: approved R13,858,412 for 2017) which it is anticipated will increase the reserve fund by R6,111,651 (2016: decrease by R985,427 in 2017). There were no capital commitments made at year end (2016: R nil).</p>		
9 Trade and other payables		
Sundry payables (Refer Note 13)	498 636	2 115 004
Accruals (Refer Note 13)	1 012 339	853 444
Provision for audit fees	90 000	108 248
Southern Sun Hotel Interests Proprietary Limited (Refer Note 13)	2 323 419	6 475 774
Southern Sun Timesharing Resales Proprietary Limited (Refer Note 13)	6 200	6 200
Exchange fee rebate	236 526	236 526
	4 167 120	9 795 196
10 Property, plant and equipment		

The Company complies with the SAICA Guide on Financial Reporting for Share Block Companies with respect to the treatment of property, plant and equipment. In terms of the SAICA Guide the right of use of property, vested with the shareholders, has been offset against the loan from shareholders with the balance transferred to the reserve for property plant and equipment.

Land and buildings comprise the following property:

- 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"
- 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

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 which is considered to be of no value. The property is currently valued by the Municipality at R98.5m for rates purposes. There are no bonds on the property.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

	2017 R	2016 R
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

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 members, 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 shareholder's 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 prior to the development of additional chalets on the Company's property.

12 Capital commitments

The Company is responsible for a portion of the annual subscriptions of the Sabie River Bungalows Golf Club and during the year contributed R1,975,920 (2016 : R1,846,656). This expense is reflected under Estate Maintenance in the "A" and "C" class shareholders' statement of comprehensive income.

13 Related party transactions

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSHI"). The Company is charged the following fees in terms of the management agreement:

Management fee	2 313 975	2 178 372
Levy administration and collection fee	206 725	193 694

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2017

	2017 R	2016 R
13 Related party transactions (continued)		
During the financial year the Company paid membership fees to SunSwop (a division of SSHI), which is affiliated to Interval International.		
SunSwop exchange services	895 174	827 880
During the financial year the Company paid the following SSHI internal charges:		
- Information technology administration charge	378 406	257 767
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, which 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 payables (Refer Note 9)	(2 413 956)	(7 505 398)
- included in receivables (Refer Note 6)	4 359	75 678
	(2 409 597)	(7 429 720)
In addition, Southern Sun Timesharing Resales Proprietary Limited ("SSTR"), on behalf of the Company, provides a rental service and recovers levies from the sale and rental of timeshare weeks.		
Balance owing to SSTR (Refer Note 9)	(6 200)	(6 200)

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

	Number of units	Levies paid R	Levies received in advance R
2017 - shareholding			
AH Fuller - SunSwop (a division of SSHI)	9	67 860	16 040
AB Ramsarup - The Leisure Holiday Club	91	686 940	296 740
AN Ridl - Club Leisure Group	165	1 293 600	611 060
2016 - shareholding			
AH Fuller - SunSwop (a division of SSHI)	9	62 325	15 080
AB Ramsarup - The Leisure Holiday Club	91	630 175	278 980
AN Ridl - Club Leisure Group	164	1 197 850	541 260

14 Directors emoluments

Directors have been remunerated for their services to the Company. In addition, Directors 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 any negligence, default, breach of duty or breach of trust. All costs relating to the Directors representing the "B" class shareholders are borne by SSHI.

Directors emoluments paid for the year:

IGS Cruickshank	28 000	14 000
RDT Jeffray	28 000	20 798
DP Viljoen (Retired 31 August 2016)	-	7 000
	56 000	41 798

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2017

	2017 R	2016 R
INCOME		
Levies	36 855 855	34 610 121
Sale of capital assets	113 850	52 632
Sundry income		
- telephone, rentals and penalties etc	805 855	614 617
	37 775 560	35 277 370
EXPENDITURE		
Rooms Expenses		
Cleaning supplies	72 668	42 204
Guest entertainment		
- videos, cocktails, games and prizes	151 331	127 313
- M-Net	326 758	301 997
Guest supplies	161 463	166 374
Laundry	497 257	584 914
Personnel costs		
- outside services	2 814 458	2 515 652
Pest control	47 188	56 263
Replacement of cutlery, crockery, linen, towels, uniforms etc	623 838	704 790
Security services	1 984 448	1 860 789
	6 679 409	6 360 296
Administration and General		
Auditors remuneration		
- current year	90 000	114 480
- prior year underprovision	6 232	6 652
- expenses	31 523	34 734
Bank charges	22 823	25 864
Credit card commission	176 120	153 596
Information technology costs	573 739	575 866
Insurance		
- excess	9 586	10 000
- premiums	141 050	239 473
Internal audit fees	91 629	-
Levy collection fee	206 725	193 694
Licences and permits	42 154	40 346
Loss on repossessed debtors	59 187	2 221
Marketing	34 035	2 038
Penalties	-	(30 604)
Postage	(1 254)	(1 338)
Professional fees	2 238	(2 650)
Printing and stationery	141 902	116 264
Provision for repossessed debtors	(14 514)	15 710
Railage, cartage and hire transport	3 995	4 251
Subscriptions	58 993	44 441
Sunswop exchange service	895 174	827 880
Telephone	109 722	96 556
Travel		
- management and directors	124 416	81 199
Vehicles		
- fuel and oil	90 144	119 915
	2 895 619	2 670 588

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2017

	2017 R	2016 R
Electricity, Water and Refuse		
Electric bulbs	72 223	88 037
Electricity	1 666 724	1 717 118
Water	3 264	6 325
Generator fuel	37 310	94 539
	1 779 521	1 906 019
Repairs and Maintenance		
Airconditioning	41 955	16 941
Buildings	81 883	102 697
Electrical and mechanical	140 080	106 764
Engineers tools	11 124	56 019
Fire equipment	134 521	142 292
Furniture and fixtures	40 040	42 119
Painting and redecorating	17 293	43 587
Major repairs and maintenance	296 472	398 171
Plumbing and heating	67 840	90 762
Radio and TV	64 769	22 004
Room care	684 606	713 806
Swimming pool cleaning and repairs	48 383	38 143
Security Fence	31 332	38 736
Vehicles	2 859	14 520
	1 663 157	1 826 561
Estate Maintenance	3 660 741	3 463 468
Capital Charges		
Annual report and statutory costs	41 951	141 241
Furniture and equipment leases	142 956	210 398
Municipal rates and taxes	442 974	409 898
	627 881	761 537
Personnel Costs		
Rooms	2 127 343	2 021 200
Administration and general	2 304 314	2 414 249
Repairs and maintenance	1 541 169	1 455 527
	5 972 826	5 890 976
Management Fee	2 313 975	2 178 372
Total Expenditure	25 593 129	25 057 817
Excess of income over expenditure before finance income and taxation	12 182 431	10 219 553
Net finance income		
Net interest received	2 812 541	2 526 959
Excess of income over expenditure before taxation	14 994 972	12 746 512
Taxation	694 926	593 780
Excess of income over expenditure after taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	14 300 046	12 152 732

Sabie River Share Block Proprietary Limited

DRAFT Minutes of the Annual General Meeting of Shareholders for the Year Ended 31 December 2016, held on Tuesday 25 July 2017 at 13h10, in the Imvubu 3 Room, Garden Court OR Tambo International Airport, Kempton Park

1 WELCOME, NOTICE OF MEETING, ATTENDANCE AND APOLOGIES

The Chairman thanked the Shareholders for a wonderful turnout and requested that they sign the attendance register to record their presence. The Chairman welcomed all to the Annual General Meeting of Sabie River Share Block Proprietary Limited. He was pleased to advise that the Company's Memorandum of Incorporation (MOI) had been approved by the Companies and Intellectual Property Commission (CIPC). This resulted in a new and lower quorum, which stated that at any General Meeting, there shall be no less than 4 Members, comprising at least 3 A, C and D Class Members and 1 B Class Member holding at least 5% of the share capital, who were entitled to vote and who were present in person or by proxy at the commencement and throughout this Meeting. Notwithstanding the foregoing, no quorum would be regarded as having been properly constituted at any General Meeting of the Company, unless a B Class Member was present, as Chairman. The Chairman thanked the Secretary and the team for finalising the new MOI.

2 ESTABLISHMENT OF A QUORUM

The Chairman noted that there was a quorum of approximately 6% for this Annual General Meeting and declared the Meeting duly constituted. There were no additional proxies from the floor. The Chairman noted that this was the first Meeting after many years where a quorum had been achieved and that this was also his first Annual General Meeting as Chairman. Apologies had been received from fellow Director, Jaco Boshoff.

The Chairman mentioned that it was a great pleasure having worked with this great Board of Directors and his Management team over the past year. He thanked them for their input and introduced the team as follows:

Anthony Ridl	-	Shareholder and Director, representing the A and C Class Shareholders
Ajith Ramsarup	-	Shareholder and Director, representing the A and C Class Shareholders
Raymond Jeffray	-	Shareholder and Director, representing the A and C Class Shareholders
Ian Cruickshank	-	Shareholder and Director, representing the A and C Class Shareholders
Lubabalo Tyali	-	Director representing the B Class Shareholders
Peter Pienaar	-	General Manager of SunSwop and Director, representing the B Class Shareholder
Warren Whiteboy	-	Southern Sun Resorts Financial Manager and Director, representing the B Class Shareholders
Wayne Wilson	-	Resort General Manager and Director, representing the B class Shareholders
Georgina Stevenson	-	Southern Sun Company Secretary
Lisa Sutton	-	Secretary to the Company Secretary

As at previous Annual General Meetings, the Chairman would Chair the Meeting for the adoption of the previous year's Minutes and thereafter for the remainder of the Meeting, beginning with the election of the Directors, Mr Cruickshank would take over the Chair for matters concerning the A and C Class Shareholders.

3 MINUTES OF PREVIOUS ANNUAL GENERAL MEETINGS

In light of the fact that there was no quorum present at last years' Annual General Meeting, the informal Annual General Meeting Minutes would be taken only as a reference. The postponed Annual General Meeting was held one week later, at the same time and place and the Shareholders there present, constituted the required quorum. The Meeting had agreed and adopted the matters raised during the informal Annual General Meeting.

The Minutes of the Annual General Meeting for the year ended 31 December 2015 held on 19 July 2016 as well as the Minutes of the postponed Annual General Meeting held on 26 July 2016, were approved and adopted.

4 MATTERS ARISING FROM PREVIOUS ANNUAL GENERAL MEETING

No matters were raised by the Meeting.

5 RESOLUTION 1:

TO RECEIVE, CONSIDER AND ADOPT THE REPORT OF DIRECTORS, REPORT OF THE AUDIT COMMITTEE AND ANNUAL FINANCIAL STATEMENTS

Item 5 on the Agenda was Resolution 1, to receive and adopt the Annual Financial Statements for the year ended 31 December 2016 and for this Resolution, the Chairman, in terms of Good Corporate Governance, handed the Chair over to Ian Cruickshank.

Mr Cruickshank stated that the Annual Financial Statements for the financial year ended 31 December 2016, read with the Chairman's Review, fully covered the activities of the Company for the period under review. Mr Cruickshank had nothing further to add. Dave Lones stated that the commentary provided in the Annual Financial Statements was very good and helped to answer any queries. Mr Lones congratulated the Board. It was unanimously resolved that the Annual Financial Statements for the year ended 31 December 2016 be approved and adopted.

6 RESOLUTION 2: TO RE-APPOINT PRICEWATERHOUSECOOPERS INC. (PWC) AS AUDITORS OF THE COMPANY

As Chairman of the Audit Committee, Mr Cruickshank recommended that PricewaterhouseCoopers Incorporated (PWC) be re-appointed Auditors of the Company for the ensuing year. No objection was recorded. The Meeting approved the re-appointment of PricewaterhouseCoopers Incorporated as Auditors of the Company for the ensuing year. Mr Cruickshank handed back the Chair to the Chairman for the remainder of the Meeting.

Sabie River Share Block Proprietary Limited

7 RESOLUTION 3: TO ELECT DIRECTORS TO THE BOARD

Item 7 on the Agenda was Resolution 3, to elect Directors (representing the Timesharers) to the Board for the ensuing year. Ian Cruickshank, Raymond Jeffray, Ajith Ramsarup and Anthony Ridl automatically retired at this Annual General Meeting but were eligible and available for re-election. No nominations for Directorship were recorded from the floor. The Memorandum of Incorporation (MOI) provided for a minimum of 6 Directors and a maximum of 13 Directors to the Board. The A Class and C Class Shareholders were entitled to appoint 4 Directors and the D Class Shareholders were entitled to appoint 2 Directors. No D Class shares had been issued. The B Class Shareholders were entitled to appoint the balance of Directors to the Board. Directors representing the B Class Shareholders included the Chairman, Messrs. Boshoff, Tyali, Whiteboy, Pienaar and Wilson.

In terms of the Companies Act, the appointment of each Director must be voted individually. Following separate motions proposing the appointment of Ian Cruickshank, Raymond Jeffray, Ajith Ramsarup and Anthony Ridl, the meeting approved the resolutions without dissenting votes. Messrs Cruickshank, Jeffray, Ramsarup and Ridl were accordingly appointed as Directors of the Company for the ensuing year.

8 RESOLUTION 4: TO APPOINT DIRECTORS TO THE AUDIT COMMITTEE

Item 8 on the Agenda was to appoint Directors as Members of the Audit Committee. The Companies Act required Private Companies to have 3 Directors appointed as Members of the Audit Committee. Having been elected as Directors to the Board, Ian Cruickshank, Ajith Ramsarup and Anthony Ridl were appointed as Members of the Audit Committee.

9 RESOLUTION 5: TO APPOINT DIRECTORS TO THE SOCIAL AND ETHICS COMMITTEE

Item 9 on the Agenda was to appoint 3 Members of the Social and Ethics Committee. The Chairman proposed and it was carried that Wayne Wilson, Raymond Jeffray and Lubabalo Tyali be appointed as Members of the Social and Ethics Committee.

10 INSURED VALUE OF THE PROPERTY

Item 10 on the Agenda was to table for discussion, the insured value of the property, as approved by the Directors in terms of the Use Agreement. The insured value of the property was R299,668,728 with buildings at R261,307,912 and furniture fixtures and fittings at R38,360,816. The Chairman welcomed any queries regarding the insured value for Sabi River Sun. Mr Cruickshank mentioned that the valuation was based on the replacement value. A registered Quantity Surveyor conducted the valuation. The Chairman noted that the insured value had increased year-on-year by 7.2%. Tsogo Sun collated the valuations of all Tsogo Sun insured properties and due to its bulk purchasing power, a favourable rate and premium was negotiated. No objections were recorded and the insured valuation of the property at R299,668,728 was approved.

11 REPORT OF THE SOCIAL AND ETHICS COMMITTEE AND REPORT OF THE GENERAL MANAGER

Item 11 and 12 on the Agenda would be combined. The Chairman called on Wayne Wilson, General Manager of the Resort, to provide his report. Mr Wilson was pleased to see familiar faces and mentioned that he would provide a general overview and summary of the results and happenings over the past year.

The overall 2016 eGuest satisfaction survey result was 89.23%, which was slightly below the target of 90%. Management was very happy with the result and welcomed the comments and suggestions made by Guests on the surveys. The Resort had scored 4.48 out of 5 through RCI, which was well above RCI Gold Crown requirements and results achieved by the region. QPro food, safety and hygiene audits were conducted and an overall 90% was achieved, against the target of 75%. The latest internal KPMG compliance audit achieved an overall 93% which was also higher than the target of 90%. Mr Wilson was very pleased with Tripadvisor ranking Sabi River Sun the 5th best Family Hotel in South Africa and 1st best Family Hotel in the area. The Resort had again won the 2016 Tripadvisor Certificate of Excellence Award.

The main objective of the Social and Ethics Committee was to look after the staff at Sabi River Sun, to look after the community surrounding the Resort and to create a positive impact. CSI was a major focus for the Tsogo Sun Group and Chef Cindy assisted greatly on the Committee. The 2017 Cansa Shavathon had raised R16,600 by holding a fun run, a Golf Day and the shavathon event itself. This would be an ongoing event to raise awareness and to support the very worthy cause. World Autism Day, close to Mr Wilson's heart, had been supported. Support for other charities and awareness programmes included Tekkie Tax Day, Youth Day, the Endangered Wild Life Trust and Mandela Day. Blankets and food was donated to the Sizabantwana community on Mandela Day for the drop-in centres and Waltons had donated stationary for the children at Sizabantwana School. A blood bank drive had proven a great success with 37 pints of blood collected, against the target set of 67 pints. It was a fabulous start and something that would more than likely continue to four times a year, as guests enjoyed taking part. Mr Wilson thanked Donna Brough for her idea and involvement as the amount of blood collection could potentially save 100 lives.

The annual 2-day Umvubu Golf Day tournament had again been a great success. Approximately R80k was raised for Sabi River Bungalows Golf Club and for donation to a charity of the Golf Club's choice. The funds raised would go back into the Golf Club for the purchase of items for the new Clubhouse and a portion would be donated towards the Sizabantwana initiative. The Umvubu Golf Day attracted many other Golfers to the area and the team hoped that it would grow even further to potentially create more of a festival event.

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The Resort now held a Parkrun event which was a free fun run every Saturday at 8am, over a 5km distance. It was a fun run supported by Discovery, Dischem, Mr Price Sports and others. Sabi River Sun had opened the 110th Parkrun in the country. The Parkrun initiative was run by Bruce and Gill Fordyce who had attended the inaugural Parkrun at Sabi River Sun 2 weeks prior with a total of 56 participants. Mr Fordyce had commented that it was one of his most favourite Parkrun locations to date. Parkrun participants registered to receive a barcode which was scanned at the end of the event to record the person's time, positioning and so on. All ages, fitness and sporting capabilities were welcome. The staff volunteered each week to arrange the Parkrun and Chef Cindy was the race director for the venue. The Parkrun route did not interfere with the Golf course or play. Many Timesharers took part in Parkrun at other locations and a lot of participants travelled to new Parkrun venues to earn a reward after having taken part in a certain amount of Parkruns as well as for taking part in a certain number of different Parkruns around the country. The Hotel would market packages for guests wanting to stay at the Resort and a breakfast special was offered to the runners and walkers taking part each Saturday.

Mr Wilson presented photographs of the construction progress made for the swimming pool and new clubhouse. The Meeting applauded at the sight of the graphics. The swimming pool was completed and very well received by guests. The new Golf shop, located near to the 1st tee box, would have beautiful views. Construction had progressed a lot further in the past few days. The ablution facilities had almost doubled in size which would help for larger Golf Days. A solar panel would be installed to the roof of the Clubhouse to pre-heat water feeding the showers for instant and constant hot water. Storage would be available below the Clubhouse for Golfers to store their golf clubs and a new "grab and go" facility would be available at the halfway house. A lot of practical changes had been incorporated into the project. The new main entrance gate project was to create a new entrance and to take the vehicles off the main road which currently posed a risk. There was sufficient stacking space for vehicles to line up to enter the property. The new gate allowed for improvement of access control. All the projects would be completed by the end of August 2017. The replacement of the two bridges would be completed within the next few weeks. The Meeting applauded the presentation.

Mrs Healey enquired why Sabi was sometimes spelt with an "e" on the end of the name. The Secretary advised that the river itself was spelt as Sabie River, as was the name of the Sabie River Share Block Company. Mrs Brough advised that the Hotel had been incorrectly misspelt upon registration and that the "e" had been left off. Mr Wilson mentioned that the river had originally been spelt as Sabi, as seen on a very old map from more than 100 years ago.

Mr Healey enquired whether a further Golf cart discount had been agreed for pensioners. Mr Wilson replied that a slightly smaller discounted rate had been agreed for the stretch round as well. Mr Healey enquired whether the DSTV bouquet may be altered to include more popular sports channels and SkyTV, as he had mentioned last year. The Chairman noted that comprehensive investigations and discussions had since been conducted. DSTV had agreed to review the bouquet of channels provided to Hotels which should be communicated later this month. Each channel had one decoder and that smartcard was unfortunately locked into a specific channel. Some sports channels may be swapped but generally the channels were set. The internet connection was not yet how it should be, which was necessary for Netflix, Showmax and other movie channels. The Chalets were ready for the internet option but the internet pipeline to the property was insufficient to accommodate the larger feed necessary. Management understood the requirement and were fighting hard to make options available.

Mr Healey thanked Mr Wilson and his team for the royal treatment he and his family received during his two recent visits to the property. Mr Healy commented that Sabi River Sun was always the best and remained the best timeshare Resort in South Africa, which other Timesharers agreed. Mr Healey commented that he had found the Resort newsletter very informative and recommended that the newsletter be circulated every quarter. It was superb and he had enjoyed the read.

A Shareholder enquired about the refurbishment cost of R8m. Mr Wilson advised that Southern Sun Resorts / Tsogo Sun would contribute significantly towards the major refurbishment project. Mr Cruickshank stated that the 10-year capital expenditure plan was supported by the levies and a special levy was again not required for this major project. The financial management of the Company was very strict.

The Chairman advised a Timesharer that the eGuest satisfaction score for Sabi River Sun was certainly improving and when compared, it was measured against similar properties. Mr Wilson advised the same Timesharer that parking would not be a problem with Parkrun participants as they ran before the golfers and bowlers arrived for play and a good portion of the participants were already staying on the Resort. There was a contingency and an alternative area for use during busy periods. The Meeting applauded Mr Wilson for his presentation.

Sabie River Share Block Proprietary Limited

12. GENERAL

The Secretary mentioned that the Meeting would record the apologies for the Shareholders who had corresponded and not been able to attend today.

12.1 Shareholders' Correspondence

Mr Fleischer

The Secretary noted that Mr Fleischer had queried the escalation of the levy over the years which Mr Whiteboy and Mrs Brough would respond to. There were many other factors involved in calculating a levy which would be explained to Mr Fleischer for his understanding.

Mr and Mrs Bowles

Mr and Mrs Bowles had made comments and suggestions regarding the new mock-up Chalets. Mr Cruickshank was thankful for their correspondence as it had raised items that he had already highlighted. Mr Cruickshank would respond to Mr and Mrs Bowles. The Chairman added that the new Chalets would be redone and a major issue of noise disturbance would receive full attention.

Mr Alexander

Mr Alexander had highlighted that the heat pump during his stay had been very noisy. Mr Wilson had advised the Board earlier that the thermostat to that particular heat pump had experienced an issue, but was since rectified. Mr Alexander had also been a little annoyed by the loud noise of his neighbour's air-conditioning unit. Management would respond to Mr Alexander.

The Secretary noted that an email address was recorded on the agenda and proxy form for Shareholders to send further comments and queries. The Chairman encouraged all Shareholders not wait a year before corresponding.

12.2 Silt in the Dam and the Hippo Population

Mr Healey enquired about the silt building up in the dam and the effect on the hippo population. Mr Wilson replied that the desilting project was an ongoing process. A secondary weir would soon be built to further assist in removing silt from the dam. Management awaited a licence permit from the local authority to complete the scheduled work. In the case of a flood, water flowed over the first weir and a second weir further down would help prevent the silt from travelling further down the river. The silt in between the weirs would be removed on an ongoing maintenance plan. The vegetation had been cut back and the landscaper, Mark Pain, sprayed environmentally friendly treatment on the plants to keep the dam as clear as possible. Mr Wilson advised that 35 – 40 hippos had visited the property over the weekend. Mr Cruickshank noted that a proposal was being discussed to stop the hippos from walking onto the 17th Green at night. The gabions on the riverside of the dam would be raised and a path would be created for the hippos to direct them back underneath the bridge. Mr Cruickshank stated that the silt trap had been very effective and that the very good quality silt removed from the dam would be used to top dress and level the fairways.

Mr Cruickshank noted that the new refurbishment program would address the noise disturbance of neighbours in next door Chalets. The Board was very aware of the disturbance.

Mr Lones thanked the Directors, management, the various committees for a good job and for the low emoluments recorded in the financials.

13. CLOSURE/ CONCLUSION

The Chairman thanked all very much for their participation and there being no further business, declared the Meeting closed at 14h10. Miss Sutton invited all to remain and enjoy the snacks, tea and coffee. The Chairman welcomed all to stay to engage with the team.

Read and confirmed this _____ day of _____ 2018.

Chairman