



DRAKENSBERG GARDENS TIMESHARE SHARE BLOCK LIMITED

Registration No. 1972/009596/06

ANNUAL REPORT

01 January 2024

31 December 2023



Managed By: GDS Investments (Pty) Ltd

DRAKENSBERG GARDENS TIMESHARE SHAREBLOCK LIMITED

Registration No. 1972/009596/06

NOTICE is hereby given that an Annual General Meeting of Members of Drakensberg Gardens Timeshare Share Block Limited will be held at Tropicana Hotel, 85 OR Tambo Parade, Durban, on Monday, 24th June, 2024, at 10H00

1. Quorum
2. Notice of Meeting
3. Attendance Register: Apologies and Proxies
4. To confirm the Minutes of the Annual General Meeting held on 11th July, 2023
5. Matters arising from the above Minutes
6. Chairman's Report
7. **Resolution 1:** To receive, consider and adopt the Annual Financial Statements for the year ended 01 January, 2024 (31st December, 2023) together with the Directors and Auditors reports thereon.
8. **Resolution 2:** Election and Appointment of Directors
9. **Resolution 3:** a) To confirm the appointment of the Auditors for the ensuing year.
b) To approve Auditors remuneration
10. Ratification of Budget and levies for the year ending December 2025 (01/01/2025 – 31/12/2025)
11. Consideration of Insurances.
12. To transact such other business as may be transacted at an Ordinary General Meeting.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. Proxy forms should be completed on the form attached and forward to reach the registered office of the Company not less than 48 hours before the time stipulated for the meeting. The completion of the proxy form will not preclude a member from attending the meeting.

BY ORDER OF THE BOARD

GDS Investments (Pty) Ltd

DRAKENSBURG GARDENS SHAREBLOCK LIMITED

Registration No. 1972\009596\06

Minutes of the Annual General Meeting of Members of Drakensberg Gardens Timeshare Shareblock
Limited held at Tropicana Hotel on the 11th July 2023 at 13h30

1. QUORUM:

There being a quorum present, the Chairman, **B M Thomas**, welcomed those attending and commenced the meeting at 13h30.

2. NOTICE OF CONVENING THE MEETING:

The notice convening the meeting had been circulated timeously, confirming the meeting being duly constituted and was taken as read.

3. ATTENDANCE REGISTER:

As per the attendance register.

APOLOGIES

M Hallett

G Anderson

PROXIES

Gooderson Vacation Sales 87 proxies in favour of C M de Klerk were noted.

Gooderson Vacation Club 36 proxies in favour of S Lakaram were noted.

R W G Goldman – 1 proxy in favour of the Chairman

T A Clark – 1 proxy in favour of the Chairman

A E A Wochnick – 1 proxy in favour of M Hallett

B Norval – 1 proxy in favour of M Hallett

The Chairman advised that as M Hallett had given her apologies, the 2 proxies in her favour will fall away as no alternative was given

4. CONFIRMATION OF MINUTES:

4.1 The minutes of the previous Annual General Meeting held on **19th July 2022** having been circulated, were confirmed.

Proposed by: **H Reid**

Seconded by: **B Warmback**

5. MATTERS ARISING FROM PREVIOUS MINUTES

The Chairman asked the members if there were any items arising from that meeting that they would like to discuss. No additional items were raised.

6. CHAIRMAN'S REPORT:

6.1 The Chairman's report was tabled, taken as read, discussed and accepted.

The Chairman emphasized that the levy approved by the Board members and which the members are now being asked to ratify, has the effect of separating the operational levy from the Diesel levy. Diesel is being expensed at approximately R50,000 per month and it is envisaged that there will be approximately a R600,000 loss in the 2023 financial year due to this item, and this loss again, will need to be taken from the Reserves. It is therefore essential that this item is monitored and accounted for very closely as a separate item.

Mr de Jager asked when the hours restriction for generator not running between 09h00 to 17h00 had been introduced, and how long the assessment would take before further mitigation would need to be implemented. The Chairman advised that this was implemented from the 10th March

2023. Further discussions took place explaining how the plan was devised based on Stage 6 loadshedding. If the mitigation does not save sufficient funds, then the Board would need to revisit the plan by extending the hours that the generator does not run. This item would be revisited within 3 to 4 months.

The Chairman added his appreciation and thanks to the Managing Agent and Resort Manager and team for doing an amazing job and to his co-Directors for all the time and effort made in respect of this Share Block.

Proposed by: **M Craig**

Seconded by: **M de Jager**

7. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 01 JANUARY 2022 Resolution No. 1

The Chairman invited comments on the Annual Financial Statements. A discussion took place in respect of the Financial Statements.

Annual Financial Statements were taken as read, discussed, and accepted.

7.1 Mr de Jager asked if further negotiations had been made with the Managing Agent in respect of fees, as the moratorium on charges was ending 31st December 2023. The Chairman advised that no further negotiations in respect of fees had taken place as the Managing Agent has also been under severe pressure and made significant sacrifice for the three-year period. In the budget for the 2024 year, the Managing Agent had also made it very clear that they did not want the levy to increase significantly and did not want to benefit from increased levies from these circumstances. It was confirmed that the Managing Agent fees were 20% of the levies raised. It was also confirmed that Riverbend pays a contribution to Fairways for Resort Manager and Maintenance Manager. The caddy combo has replaced the golf cart. The owners' entertainment expenses comprise of welcome drinks, purchase of games, Multichoice and TV licenses. Eco expenses was created for expenses relating to "going green" items which was partially used for the burglar bars and dustbin proofing for the baboons. As the total reserve was not utilized this has been reversed. Mr de Jager enquired about the WIFI, that the income received was negligible compared to the expenses. The Chairman advised that WIFI is very unstable at this Resort as it is at the end of the road and is severely compromised by loadshedding with the towers being down. The Resort Manager advised that fibre is installed up to Castleburn and that is where it stops. The Chairman stated that a large portion of the costs relate to replacing/upgrading the system. The intention for the Wi-Fi system is to break even. The staff accommodation is intended to be an expense and a small recovery is received from the staff living on the property.

7.2 Mr Craig asked why the Management fees were based on levies raised and not on levies collected. The Chairman stated that the members are approving a zero-based budget and levies are raised to balance the budget. The collection of outstanding debt requires more work and effort to collect. The Managing Agent confirmed that levies are raised on the 1st of January each year. Penalty interest is then raised on the accounts. Phone calls are then made to try to get the monies in, failing which, ITC letters are then sent out to all outstanding debt. The remainder of outstanding debt is then brought to C de Klerk so that she too can try to resolve as a last attempt to collect. Remaining debtors are then listed and reported to the credit bureau and decisions are made on each file, as to whether the debt is to be handed over to the attorneys for collection. Mr Craig asked if there might be a cost saving on laundry if the resort did not do a linen change regularly. Resort Manager advised that it was tried to not change the wet towels daily however this raised complaints from amongst the guests. With a Gold Crown resort, linen needs to be changed twice a week. The Chairman suggested that this should be done on a voluntary basis and Resort Manager to investigate options. **MA**

7.3 S Lakaram confirmed a communication had been received from Craig Galloway regarding information on prepayments of R1,515,414. It was explained that with the refurbishment programme, orders were placed in November\December for delivery in the following year and deposits had to be paid to suppliers of R1,506,104. The balance of R13,310 related to prepayments for newspapers and TV licenses – credits received in the current financial year. There was a further query regarding the Eco Expenses credit of R216,665 - this was an unused provision which the Auditors requested to be reversed due to the deficit at the end of the last financial year.

Proposed by: **H Reid**

Seconded by: **M Craig**

8. ELECTION AND APPOINTMENT OF DIRECTORS:

Resolution No. 2

The **Chairman** advised that all the **Directors** had retired and were available for re-election.

It was agreed that all the board members be re-elected.

Accordingly, the following members were elected as Directors for the ensuing year:

B R Warmback

B M Thomas

S Lakaram

G M Anderson

L H Northcote-Reid

R Tolken

Proposed by: **M Craig**

Seconded by: **H Reid**

A nomination had been received from Mrs Hallett. The Board of Directors had considered the Nomination and it was the intention of the Directors to make a statement to Mrs Hallett at this AGM. However, the position had now changed as Mrs Hallett was not present. The Chairman advised the meeting that Mrs Hallett's nomination did not have the support of the current Directors and gave background on the reasons that had given rise to this position. Having heard the Chairman's comments, and after discussion, the nomination was not supported and Mrs Hallett was not elected.

However, the Chairman advised that the Directors acknowledged that Mrs Hallett had been nominated, and they were prepared to engage with her further with the possibility that Mrs Hallett could be invited to join the Board as a co-opted member, provided appropriate behavioural commitments were forthcoming.

9. APPOINTMENT OF AUDITORS & APPROVAL OF AUDITORS REMUNERATION:

Resolution No. 3

Three quotations received:

Mazars – Last year R37,500 increased to R63,800

BDO - Last year R85,000 increased to R95,000

San Meridian - R51,000

In the preceding Directors' meeting, the Managing Agent was requested to obtain a further quotation from Moore Stevens.

9.1 It was resolved that Mazars be appointed as auditors for the ensuing year.

9.2 The Auditors remuneration of R63,800 was tabled and approved.

Proposed by: **B Thomas**

Seconded by: **H Reid**

10. RATIFICATION OF BUDGET AND LEVIES FOR THE YEAR ENDING DECEMBER 2023:

10.1 It was noted that the levies increase would be **3.9%** increase for **2023**.

10.2 The diesel levy will be accounted for separately and will be R515 per week.

The Budget for the ensuing year, as presented by the Directors, was approved.

Proposed by: **M de Jager**

Seconded by: **M Craig**

11. CONSIDERATION OF INSURANCES:

11.1 Quotation received from Brokers, Reid Raetzer Robson of R101,987.84 (inclusive of VAT). The buildings are insured for R51,193,296 and contents and generator covered for R6,985,474.56.

It was resolved that the insurance was appropriately considered and accepted.

Proposed by: **R Tolken**

Seconded by: **B Warmback**

12. GENERAL

12.1 Mr de Jager enquired when the umbrellas at the braai area will be replaced. The Resort Manager advised that they are being replaced as and when required.

12.2 The Chairman thanked members for their attendance and interest and concluded the meeting by thanking his fellow Directors for their commitment and time throughout the year and expressed particular thanks to the Managing Agent, Resort Manager and the team for a job well done. Mr Craig agreed with the Chairman and expressed his thanks.

13. CLOSURE:

There being no further points of discussion, the meeting closed at 14h58.

Confirmed this _____ day of _____ 2024

B M THOMAS
CHAIRMAN

CHAIRMAN'S REPORT - 2024

On behalf of the Directors, it is my duty to report on the year under review – i.e., the financial year ended 1 January 2024 (the 2023 calendar year).

The year under review has certainly had its challenges. The economic conditions are still very tough and leisure time expenditure has been re-prioritised in many families. The collection of levies (even from longtime loyal owners) requires vigilant, but sensitive attention and strict control over budgeted expenditure is a continuing focus.

Management deserves high praise. The Resort has been well-maintained, comfortably retaining its Gold Crown status and is still a popular and highly rated destination.

The scourge of every South African business, **load shedding**, reached its highest ever levels in 2023. At the 2023 AGM held on 11 July 2023, the Members ratified a Board-approved special Diesel Levy of R515 for the 2024 year. However, this special levy was not raised for 2023 because the increased level of load shedding had not been anticipated when the 2023 budget was prepared. The Income Statement reflects that the cost of diesel for the year amounted to R475 267 and generator maintenance amounted to R91 971. These extraordinary costs had to be borne within the constraints of the budget approved in 2022. Thus, to end the year with a Levy Deficit of R314 806 was not unexpected, and considering the extraordinary costs just outlined, was a favourable result and management is to be complimented. The deficit has been applied against the accumulated levy surplus brought forward of R180 995, leaving a net deficit at the end of the year of R133 811.

As far as the current year is concerned, we are trading within budget and in fact, the dramatically reduced load shedding in the first quarter has provided much needed relief.

One of the difficulties in setting budgets for the ensuing year is that they are compiled after only 4 completed months of trading in the current year. Nevertheless, it is still the most optimal process, as it allows early communication with owners, timeous collection of levies and the ability for owners to plan their holidays accordingly.

The budget for 2025 again recognises the current economic conditions. Costs will continue to be tightly controlled and certain asset replacement cycles have been extended. As previously committed, the Diesel Levy has been adjusted to take into account savings that have been achieved. In essence, the budget has been prepared on the basis that savings to date will be recognised and the assumption has been made that load shedding for the final 8 months of the year will equate to 2023 levels. This is conservative, but sensible, and any further savings will be applied to the 2026 Diesel Levy.

The Diesel Levy has been reluctantly understood by the great majority of owners as an unfortunate necessity. We cannot fund deficits from Reserves and the Managing Agents should not (and have no desire to) benefit from extraordinary expenditure. Your Directors recognise that there is a strong view that we should be looking at medium to long term solutions to meet our energy requirements. These are being investigated, but with serious caution, taking into account that the most appealing solutions with their justifiable return on investment, require the capital funds to leave the bank immediately. Alternatively, financed solutions will have an immediate impact on levies. It is a difficult balancing act and your Directors consider that their prime objective is that the Timeshare Shareblock Company trades as a solid going concern, whilst maintaining the necessary levels of Reserves to maintain standards and provide cover for exceptional circumstances. Covid was an unfortunate reminder of that responsibility.

Accordingly, the approved Budget for 2025, presented for your review, will again, be funded by 2 components:

- ❖ A “normal” levy increase of 4,07% (2024: 3,90%)
- ❖ A “Generator Diesel Levy” of R360 (2024: R515) per week.

In total, the combined levies represent an increase of 1,97% compared to the current, 2024 year.

Shareholders are respectfully requested to ratify the Budget as presented, at the Annual General Meeting on 24 June 2024.

Once again, I take this opportunity to record our recognition and appreciation of our hard working and competent team at the Resort, led by our Resort General Manager, Heinz Fritz. We also express our sincere thanks to our managing agent's Chief Operating Officer, Colleen de Klerk.

Finally, I express appreciation to my co-directors for their voluntary sacrifice of time and for their dedication.

BASIL THOMAS

CHAIRMAN

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Timeshare Share Block
Directors	G M Anderson L H Northcote-Reid B M Thomas B R Warmback R F Tolken J Lakaram
Registered office	85 O R Tambo Parade (Marine Parade) Durban 4001
Postal address	P O Box 10305 O R Tambo Parade 4056
Bankers	First National Bank Limited
Auditors	Mazars
Management	GDS Investments Proprietary Limited
Company registration number	1972/009596/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa (No. 71 of 2008).
Supervisor	The financial statements were prepared under the supervision of: S Sadiq (Bookkeeper)
Preparer	AFS Compilers Proprietary Limited
Published	28 May 2024

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

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The reports and statements set out below comprise the annual financial statements presented to the members:

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Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa (No. 71 of 2008), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SME's @ Accounting Standard. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS for SME's Accounting Standard and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The directors have reviewed the company's cash flow forecast for the year to 01 January 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The board of directors is responsible for the financial affairs of the company.

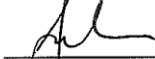
The practitioner's compilation report is presented on page 4.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the board on 28 May 2024 and were signed on its behalf by:



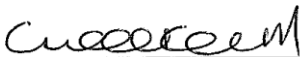
Director



Director

Certificate by the company secretary

In terms of the Companies Act of South Africa (No. 71 of 2008), I certify that the company has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required by the Companies Act and all such returns are true, correct and up-to date.



for: GDS Investments Proprietary Limited

Durban

28 May 2024

Practitioner's Compilation Report

To the Members of Drakensberg Gardens Timeshare Share Block Limited

I have compiled the annual financial statements of Drakensberg Gardens Timeshare Share Block Limited, as set out on pages 8 to 21, based on information you have provided. These annual financial statements comprise the statement of financial position of Drakensberg Gardens Timeshare Share Block Limited as at 01 January 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the IFRS for SME's Accounting Standard. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these annual financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the IFRS for SME's Accounting Standard.



D Miles CA (SA)

Practice No: 08002782

**No 4, Valencia
99 William Campbell Drive
La Lucia
4051**

28 May 2024

Independent Auditor's Report

01 January 2024

To the Shareholders of Drakensberg Gardens Timeshare Share Block Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Drakensberg Gardens Timeshare Share Block Limited set out on pages 10 to 21, which comprise the statement of financial position as at 01 January 2024, 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 Drakensberg Gardens Timeshare Share Block Limited as at 01 January 2024, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SME's Accounting Standard as issued by the International Accounting Standards Board 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Continued -/

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, TVDI De Vries, G Deva, Y Dockrat, DS Dollman, S Doolabh, A Driscoll, M Edelberg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, T Gengen, M Groenewald, K Hoosain, MV Ismail, B Jansen, J Kasan, D Keeve, J Marais, N Mayat, B Mbunge, G Molyneux, A Monuck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MV Patel, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibande, MR Snow, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendordt, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Drakensberg Gardens Timeshare Share Block Limited Annual Financial Statements for the year ended 01 January 2024”, which includes the Directors' Report, as required by the Companies Act of South Africa and the supplementary information as set out on pages 22 to 25, which we obtained prior to the date of the report. The other information does not include the annual financial statements and our auditor's reports 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 IFRS for SME's Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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.

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.

Continued -/

mazars

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.



Mazars
Partner: S Doolabh
Registered Auditor
28 May 2024
Durban

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Directors' Report

The directors submit their report for the year ended 01 January 2024.

1. Review of activities

Main business and operations

The company owns the land and buildings known as Riverbend Chalets which are utilised by the members on a time share basis with respective members' time interest being apportioned through the issue of shares according to the Use agreement. The Use agreement provides for the following:

- Shares are issued in predefined blocks which are linked by use and occupation agreements relating to specific periods of the year and chalets.
- Linked to the respective share blocks are obligations on the share block owners to make loans to the company.
- Obligations on share block owners to contribute levies in proportion to their shareholding to enable the company to defray its expenditure.

The levy deficit for the year amounted to R 314 806 (2023: Surplus R 57 072).

Notwithstanding the company's registered year end being the first Friday of January, for practical reasons the financial statements reflect the financial position immediately before the commencement of operations on 1 January 2024 and the results of its operations for the year ended 31 December 2023.

2. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

3. Directors

The directors of the company during the year and to the date of this report are as follows:

Name

G M Anderson
L H Northcote-Reid
B M Thomas
B R Warmback
R F Tolken
J Lakaram

There have been no changes to the directorate for the period under review.

4. Management

GDS Investments Proprietary Limited is the managing agent of the timeshare operations.

5. Auditors

Mazars will continue in office in accordance with section 90 of the Companies Act of South Africa (No. 71 of 2008).

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Events after the reporting period

As of the 3rd of May 2024, it has come to the attention of the Directors that Eskom has determined that the current guarantee provided by the Shareblock is insufficient and an additional guarantee must be provided. The electricity account guarantee / security deposit currently held by Eskom amounts to R11 700. In the effort to bridge the revenue security gap, it has thus become necessary to increase the electricity guarantee account to R 509 757. The additional amount of R 498 057 must be received by Eskom by the 31st of May 2024 in the form of cash or bank guarantee. Should the cash or bank guarantee not be received by Eskom by the 31st of May 2024, the additional amount of R 498 057 will be raised on the next invoice for immediate payment.

The directors are not aware of any other matter or circumstance arising since the end of the financial year.

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Statement of Financial Position

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	22 120	36 377
Net financial asset	3	96 030	96 030
		118 150	132 407
Current Assets			
Trade receivable	5	628 329	2 446 365
Cash and cash equivalents	6	5 269 981	5 505 970
		5 898 310	7 952 335
Total Assets		6 016 460	8 084 742
Equity and Liabilities			
Equity			
Share capital	7	96 030	96 030
Future maintenance reserve	8	3 508 789	5 077 800
Accumulated levy (deficit)/surplus		(133 811)	180 995
		3 471 008	5 354 825
Liabilities			
Current Liabilities			
Current tax payable		6 736	22 291
Accounts payable	9	2 538 716	2 707 626
		2 545 452	2 729 917
Total Equity and Liabilities		6 016 460	8 084 742

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Levy Statement

Figures in Rand	Notes	2024	2023
Levy Income			
Other income		6 160 509	5 760 063
Operating expenses		51 302	34 031
		(6 868 333)	(5 992 333)
Levy deficit before interest and taxation	10	(656 522)	(198 239)
Net interest received	11	401 513	319 709
Levy (deficit)/surplus before taxation		(255 009)	121 470
Taxation	12	(59 797)	(64 398)
Levy (deficit)/surplus for the year		(314 806)	57 072
Other comprehensive income		-	-
Total levy (deficit)/surplus for the year		(314 806)	57 072

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Future maintenance reserve	Accumulated levy surplus / (deficit)	Total equity
Balance at 01 January 2022	96 030	6 041 769	123 923	6 261 722
Levy surplus for the year	-	-	57 072	57 072
Other comprehensive income	-	-	-	-
Total levy surplus for the year	-	-	57 072	57 072
Maintenance reserve net of acquisitions	-	(1 213 969)	-	(1 213 969)
Transfer to reserve	-	250 000	-	250 000
Total changes	-	(963 969)	-	(963 969)
Balance at 01 January 2023	96 030	5 077 800	180 995	5 354 825
Levy deficit for the year	-	-	(314 806)	(314 806)
Other comprehensive income	-	-	-	-
Total levy deficit for the year	-	-	(314 806)	(314 806)
Maintenance reserve net of acquisitions	-	(2 095 354)	-	(2 095 354)
Transfer to reserve	-	526 343	-	526 343
Total changes	-	(1 569 011)	-	(1 569 011)
Balance at 01 January 2024	96 030	3 508 789	(133 811)	3 471 008
Notes	7	8		

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows generated from operating activities			
Levies received from members		6 307 367	6 022 523
Cash paid to suppliers and employees		(4 774 163)	(6 980 259)
Cash generated from/(used in) operations	13	1 533 204	(957 736)
Interest income		401 513	319 709
Tax paid	14	(75 352)	(75 933)
Net cash from/(used in) operating activities		1 859 365	(713 960)
Cash flows used in investing activities			
Acquisition of furniture and fittings expended out of the maintenance reserve	8	(2 095 354)	(1 213 969)
Net cash used in investing activities		(2 095 354)	(1 213 969)
Net decrease in cash and cash equivalents		(235 989)	(1 927 929)
Cash and cash equivalents at the beginning of the year		5 505 970	7 433 899
Total cash and cash equivalents at end of the year	6	5 269 981	5 505 970

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the IFRS for SME's Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa (No. 71 of 2008). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

As opposed to capitalising and depreciating additions to timeshare units, the directors maintain a maintenance reserve against which acquisitions are charged and into which an annual provision for future replacement is transferred by means of a charge from levy income. This annual transfer is assessed by the directors on a best estimate basis bearing in mind the age and expected useful life of the assets.

These accounting policies are consistent with the previous period.

1.1 Levy income

Represents levies received against timeshare unit holders, net of value added taxation, to defray operating costs, plus sundry sales and recovery of expenses.

1.2 Property and furnishings

A maintenance reserve is maintained into which the company transfers a replacement provision based on the "whole life/remaining life" principle and against which future acquisitions are charged.

1.3 Property, plant and equipment

For depreciable assets, initial and subsequently recognised costs are componentised in order to substantially reflect the useful lives of the significant asset components.

The residual value represents the best estimates of the current recoverable amount of the asset at the end of its useful life.

Depreciation is charged to write off the cost of the assets over their estimated useful lives, using the straight-line method.

Useful lives and depreciation are re-assessed annually. The following are the current estimated useful lives:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Furniture and fittings	Straight line	5 years
Generator	Straight line	20 years

1.4 Financial instruments

Financial instruments recognised on the statement of financial position include cash resources, trade and other receivables, levy debtors and trade and other payables.

The financial instruments are measured initially at their transaction price (including transaction costs).

The financial instruments are subsequently measured at amortised cost.

The company uses a bad debt provision to recognise impairments on levy debtors. The impairment loss is recognised through the bad debt provision which is recognised in levy surplus or deficit within operating expenses.

1.5 Taxation

Taxation represents the taxation charge levied by the South African Revenue Service against the company's taxable income. In view of the nature of the company's operations (share block) the company's taxable income is not representative of its net levy surplus, but rather limited to the non-levy income net of expenses incurred in the generation thereof as controlled by section 10 (1)(e) of the income tax act.

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Accounting Policies

1.6 Provisions

Provisions are recognised when:

- the company has a present obligation at the reporting period date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Provisions are measured at the directors best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material.

1.7 Employee benefits

Defined contribution plans

The cost of all short term employee benefits, such as salaries, medical and other contributions is recognised in the period during which the employee renders the related service.

1.8 Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The nature of these estimation assumptions is inherently long-term and future experience may result in actual amounts differing from these estimates as applied in the reported financial results.

Useful lives and residual values of tangible assets

The estimates of useful lives as translated into depreciation rates detailed in the property, plant and equipment policy above. These rates and the residual values of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the hospitality industry.

Allowance for doubtful debts

The allowance for levy debtors is determined on an account-by-account basis. Accounts are written off after handing the debtor over for collection or alternatively on a debtor not being able to pay.

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	5 217	(5 217)	-	5 217	(5 217)	-
Furniture and fittings	-	-	-	9 800	(9 800)	-
Generator	520 968	(498 848)	22 120	520 968	(484 591)	36 377
Total	526 185	(504 065)	22 120	535 985	(499 608)	36 377

Reconciliation of property, plant and equipment - 2024

	Opening balance	Depreciation	Closing balance
Generator	36 377	(14 257)	22 120

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
Generator	71 126	(34 749)	36 377

Details of property

Immovable property being portion 5 of the Farm fp309 No. 9034, Registration Division FS, province of KwaZulu Natal, in extent 1,824 hectares.

Land and buildings were originally purchased for R 3 361 050 and are not recognised because 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 directors are of the opinion that, as the property is not held as an investment, it would serve no purpose to reflect the open market value of the property.

The company's capital is divided into share blocks and each share block gives the holder the right to occupy a particular portion of the company's property for a specified period of each year.

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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3. Net financial asset

Share block holders' unsecured loans	3 361 050	3 361 050
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The loans are unsecured, interest free and repayable on the sale of the land and buildings and subsequent dissolution of the company.

Right of use property vested in members	(3 265 020)	(3 265 020)
-----------------------------------------	-------------	-------------

These loans are not repayable within the next 12 months. The loans represent the funds advanced by members to finance the initial acquisition of land, buildings and furniture and fittings. The loans are only repayable on the sale of the land and buildings and subsequent dissolution of the company. Any repayment under these circumstances will be directly proportional to the funds received on the sale of the tangible assets of the company.

96 030	96 030
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Non-current assets

At amortised cost	96 030	96 030
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4. Retirement benefits

Defined contribution plan

It is the policy of the company to provide retirement benefits to its employees. During the year the company contributed R 21 848 (2023: R 16 335) to the plan, which is administered by the Orion Pension Fund. The assets of the plan are administered by the trustees in a fund independent of the company. All members pay fixed contributions to the fund and the company makes a similar contribution.

5. Trade receivable

Financial instruments

Levy debtors - net of doubtful debts	347 197	494 055
Other receivables	54 610	-

Non-financial instruments

Prepayments	4 177	1 519 414
Value Added Taxation	222 345	432 896

628 329	2 446 365
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Levy debtors outstanding for 2 years or longer are written off in full. A provision for doubtful debts is raised for outstanding levies relating to the preceding 24 months. The provision is based on specific debtor profiles.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	5 269 481	5 505 470
Cash on hand	500	500

5 269 981	5 505 970
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Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
7. Share capital		
Authorised		
96 030 Ordinary shares of R 1 each	96 030	96 030
Issued		
96 030 Ordinary shares at R 1 each	96 030	96 030
8. Future maintenance reserve		
Balance at beginning of the year	5 077 800	6 041 769
Utilisation of reserve fund	(2 095 354)	(1 213 969)
Current provision for future maintenance and replacements	526 343	250 000
	3 508 789	5 077 800
9. Accounts payable		
Financial instruments		
Other payables	201 136	630 333
Non-financial instruments		
Leave pay provision	10 069	12 635
Levies received in advance	2 327 511	2 064 658
	2 538 716	2 707 626

The leave pay provision is raised to cover the company's exposure to accrued leave at year end. This provision will be incurred to the extent of an employee leaving the employment of the company.

10. Levy deficit before interest and taxation

Levy deficit before interest and taxation is stated after accounting for the following:

Charges		
Management fee	1 232 102	1 144 212
Provision for future maintenance and replacements	526 343	250 000
Bad debts	135 000	90 000
Cleaning	516 858	486 984
Laundry	211 281	276 565
Manager contribution	161 280	153 540
Security	148 500	141 202
Salaries and wages	481 470	456 118
Electricity	893 775	836 402
Generator	475 267	348 937
Estate levy	485 784	486 784
Maintenance	243 168	263 057
Insurance	114 491	119 179
Levies paid - Share Block weeks	217 197	172 309
Water	109 944	109 944

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
11. Net interest received		
Bank	7 818	1 161
Investments	371 481	291 635
Debtors	22 214	26 913
	401 513	319 709
12. Taxation		
Current		
Local income tax - current period	79 733	64 398
Local income tax - prior period	(19 936)	-
	59 797	64 398
The share block is taxed in accordance with section (10)(i)(e) of the Income Tax Act, accordingly, only non-levy income is subject to taxation (above R 50 000).		
13. Cash generated from/(used in) operations		
Levy surplus/(deficit) before taxation	(255 009)	121 470
Adjustments for:		
Depreciation	14 257	34 749
Interest received	(401 513)	(319 709)
Changes in working capital:		
Trade and other receivables	1 460 627	(1 506 094)
Levy debtors	149 375	336 315
Provision for future maintenance reserve	526 343	250 000
Leave pay provision	(2 566)	(252)
Trade and other payables	(429 197)	258 902
Levies received in advance	262 853	200 984
Value Added Taxation	210 551	(260 246)
Provision for doubtful debts	(2 517)	(73 855)
	1 533 204	(957 736)
14. Tax paid		
Balance at beginning of the year	(22 291)	(33 826)
Current tax for the year recognised in surplus or deficit	(59 797)	(64 398)
Balance at end of the year	6 736	22 291
	(75 352)	(75 933)

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
15. Related parties		
Related party balances		
Amounts included in trade payables regarding related parties		
Leading Hospitality Solutions Proprietary Limited	5 750	6 521
Alawill Investments Proprietary Limited	-	(12 140)
Glengarry Properties Timeshare Share Block Limited	8 422	(466)
Trade payables are paid within 30 days.		
Amounts included in trade receivables regarding related parties		
Gooderson Vacation Club	174 087	339 620
Alawill Investments Proprietary Limited	42 868	2 561
Leading Hospitality Solutions Proprietary Limited	3 531	4 056
Trade receivables are due within 30 days.		
Related party transactions		
The following related party transactions have been entered into with the companies and/or enterprises in which certain of the directors or their close family members have significant or controlling interests. These transactions in certain instances are limited to the amounts per the budget as approved by the members.		
GDS Investments Proprietary Limited		
Management fee	1 232 102	1 144 212
IT fees	809	18 600
Alawill Investments Proprietary Limited		
Estate levy	485 784	485 784
Water	109 944	109 944
Refuse removal	84 888	84 888
Telephone lines	43 620	43 620
Staff accommodation	130 608	130 608
Laundry	211 281	276 565
Maintenance and gardens and grounds	109 944	109 944
Sewerage	27 000	27 000
Entertainer contribution	-	72 900
Glengarry Properties Timeshare Share Block Limited		
Transport	49 665	46 080
Payroll contribution	305 849	187 906
Leading Hospitality Solutions Proprietary Limited		
Cleaning	513 930	484 479
Gooderson Vacation Club		
Levies	272 484	254 772

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Notes to the Annual Financial Statements

Figures in Rand

16. Directors' remuneration

No emoluments were paid to the directors during the year.

17. Contingent liability

The company has a contingent liability in respect of a facility granted by First National Bank Limited for R 11 700.

Refer to note 20 for updated contingent liability post year end.

18. Financial Risk Management

The financial instruments of the company consist primarily of cash deposits with banks, trade payables and borrowings. The carrying value of financial instruments approximates their fair value, determined in accordance with the accounting policies of the company.

In the normal course of its operations, the company is exposed to credit risk, interest rate risk and property holding risk.

Credit risk

Trade receivables comprise of levy income outstanding. At 01 January 2024 the company does not consider there to be any material credit risk that has not been adequately provided for.

Interest rate risk

Fluctuations in the interest rates impact on the returns derived from short term bank deposits as well as cost of financing activities, giving rise to interest rate risk.

Property risk

The company is exposed to potential losses as a result of damage to the company's land and buildings. This is covered by maintenance of appropriate insurance cover which is reviewed on an annual basis.

19. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

20. Events after the reporting period

As of the 3rd of May 2024, it has come to the attention of the Directors that Eskom has determined that the current guarantee provided by the Shareblock is insufficient and an additional guarantee must be provided. The electricity account guarantee / security deposit currently held by Eskom amounts to R11 700. In the effort to bridge the revenue security gap, it has thus become necessary to increase the electricity guarantee account to R 509 757. The additional amount of R 498 057 must be received by Eskom by the 31st of May 2024 in the form of cash or bank guarantee. Should the cash or bank guarantee not be received by Eskom by the 31st of May 2024, the additional amount of R 498 057 will be raised on the next invoice for immediate payment.

The directors are not aware of any matter or circumstance arising since the end of the financial year.

Drakensberg Gardens Timeshare Share Block Limited

(Registration number: 1972/009596/06)

Annual Financial Statements for the year ended 01 January 2024

Detailed Levy Statement

Figures in Rand	Notes	2024	2023
Revenue			
Levy income		6 160 509	5 760 063
Other income			
Net interest received	I	401 513	319 709
Rental income		24 515	25 361
Sundry income		26 787	8 670
		452 815	353 740
Operating expenses			
Administration expenses	A	(1 868 270)	(1 624 115)
Cleaning	B	(789 286)	(830 242)
Communication	C	(60 674)	(64 069)
Owners entertainment	D	(72 393)	(71 250)
Remuneration	E	(1 007 012)	(1 035 028)
Repairs and maintenance	F	(889 559)	(843 669)
Travel and entertainment	G	(49 665)	(48 705)
Utilities	H	(1 590 874)	(1 190 506)
Depreciation		(14 257)	(34 749)
Provision for future replacements and refurbishments		(526 343)	(250 000)
		(6 868 333)	(5 992 333)
Levy (deficit)/surplus before taxation		(255 009)	121 470
Taxation	12	(59 797)	(64 398)
Levy (deficit)/surplus for the year		(314 806)	57 072

Drakensberg Gardens Timeshare Share Block Limited

Registration number 1972/009596/06

Annual Financial Statements for the year ended 1 January 2024

Supplementary Schedules to the Financial Statements

Figures in Rand	2024	2023
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A. Administration expenses

AGM/Meeting costs	1 857	-
Annual secretarial returns	450	450
Auditors' remuneration	44 656	(13 595)
Bad debts written off	135 000	90 000
Bad debts recovery	(7 826)	-
Bank charges	29 623	27 560
Insurance – building	114 491	119 179
Legal fees	10 623	3 010
Legal fees recovery	(1 017)	(3 948)
Levies paid – Share Block weeks	217 197	172 309
Licenses	1 785	1 803
Management fee	1 232 102	1 144 212
Pest control	3 604	6 019
Postage, printing and stationery	15 668	17 800
Rates	65 845	55 104
Subscriptions	4 212	4 212
	<u>1 868 270</u>	<u>1 624 115</u>

B. Cleaning

Cleaning	516 858	486 984
COVID-19 expenses	-	1 125
Laundry expenses	211 281	276 565
Guest supplies	67 973	71 942
Laundry income – guests	(6 826)	(6 374)
	<u>789 286</u>	<u>830 242</u>

C. Communication

Cellphone	4 381	4 001
House calls	667	839
Line rental	43 620	43 620
WiFi internet	15 015	17 652
WiFi internet recovery	(3 009)	(2 043)
	<u>60 674</u>	<u>64 069</u>

Drakensberg Gardens Timeshare Share Block Limited

Registration number 1972/009596/06

Annual Financial Statements for the year ended 1 January 2024

Supplementary Schedules to the Financial Statements

Figures in Rand	2024	2023
D. Owners entertainment		
Guest games and entertainment	2 758	2 447
Multichoice expenses	66 351	65 509
Television licences	3 284	3 294
	<u>72 393</u>	<u>71 250</u>
E. Remuneration		
Salaries and wages	481 470	456 118
Security services	148 500	141 202
Staff sundry costs	1 022	2 544
Uniforms	10 000	10 000
Workmen's compensation insurance	1 913	1 780
Staff accommodation	58 258	67 898
- expense	130 608	130 608
- recovery	(72 350)	(62 710)
Reservation contribution	71 580	71 580
Entertainer contribution	19 020	72 900
Reception contribution	53 969	57 466
Manager contribution	161 280	153 540
	<u>1 007 012</u>	<u>1 035 028</u>
F. Repairs and maintenance		
Flat maintenance	120 651	143 797
Flat replacement	25 756	26 837
- expense	29 365	30 163
- recovery	(3 609)	(3 326)
Gardens and decorating	112 294	109 944
Generator service and maintenance	91 971	-
Estate levy	485 784	485 784
Computer maintenance	809	18 600
Linen replacements	39 721	49 391
Office equipment	4 320	3 780
Pool	8 253	5 536
	<u>889 559</u>	<u>843 669</u>

Drakensberg Gardens Timeshare Share Block Limited

Registration number 1972/009596/06

Annual Financial Statements for the year ended 1 January 2024

Supplementary Schedules to the Financial Statements

Figures in Rand	2024	2023
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G. Travel and entertainment

Transport costs	30 240	30 240
Travel – local	2 625	2 625
Opel Combi contribution – Fairways	16 800	15 840
	<u>49 665</u>	<u>48 705</u>

H. Utilities

Eco expenses	-	(216 665)
Electricity	893 775	836 402
Refuse	84 888	84 888
Water	109 944	109 944
Sewerage	27 000	27 000
Generator running costs	475 267	348 937
	<u>1 590 874</u>	<u>1 190 506</u>

I. Net interest received

Bank	7 818	1 161
Investments	371 481	291 635
Debtors	22 214	26 913
	<u>401 513</u>	<u>319 709</u>

DRAKENSBURG GARDENS TIMESHARE SHAREBLOCK LTD.
**PROPOSED BUDGET FOR THE YEAR ENDED 31 DECEMBER 2025
NO. OF UNITS 18 (18X6 SLEEPERS)**

INCREASE 3.9% - 2024
INCREASE 4.07% - 2025

TOTAL INCOME

LEVY INCOME
DIESEL LEVY RECOVERY
DISCOUNT RECEIVED
LAUNDRY & DRYER INCOME (GGE)
LETTING INCOME SHAREBLOCK WEEKS RECOVERY

ANNUAL BUDGET 2025	2 MONTH ACTUAL 2024	PROJECTED ACTUAL 2024	ANNUAL BUDGET 2024	JAN TO DEC ACTUAL 2023
(7158428)	(1157933)	(7002097)	(6962176)	(6196403)
(6665948)	(1067582)	(6405496)	(6405496)	(6160508)
(336960)	(80000)	(482040)	(482040)	0
(4200)	(725)	(3725)	(3600)	(4554)
(7320)	(973)	(7000)	(7040)	(6826)
(144000)	(8653)	(103836)	(64000)	(24515)

ADMINISTRATION EXPENSES

ANNUAL RETURNS (CIPRO)
AGM COSTS & MEETING COSTS
VOASA ANNUAL MEMBERSHIP
AUDIT FEES
BAD DEBTS
BAD DEBTS RECOVERED
BANK CHARGES - FEES
BANK CHARGES - C/C COMM
APEX OPERATING SYSTEM
INSURANCE - EXCESS
INSURANCE - INCLUDING GENERATOR
INSURANCE - FIDELITY COVER
LEGAL EXPENSES
LEGAL COST RECOVERY
SHAREBLOCK REPO WEEKS - LEVIES PAID
SHAREBLOCK DIESEL LEVY
SALE OF SHAREBLOCK REPO WEEKS
MANAGEMENT FEES
PRINTING AND STATIONERY/GUEST REVU
POSTAGE

1820716	250768	1851697	1636035	1713781
475	0	475	1825	450
2080	0	1970	1500	1857
4550	4333	4333	4425	4212
75000	0	68300	40700	44656
75000	0	75000	75000	75000
0	0	0	0	(7826)
12245	1959	11554	12035	10901
20180	6111	19086	20835	18720
1880	287	1761	1920	1785
0	0	0	0	1223
98400	15356	89466	92400	93008
14400	2263	11478	11520	11620
16800	4630	16800	16800	10623
0	78	78	0	(1017)
220000	0	321645	129000	217197
9270	0	9270	9270	0
(75000)	0	(72000)	(75000)	(16398)
1331336	213516	1279245	1279245	1232102
13250	2235	12386	13160	15668
850	0	850	1400	0

CLEANING AND LAUNDRY

CLEANING MATERIALS
GUEST SUPPLIES
LAUNDRY COSTS

311250	37626	291800	389060	282182
3000	426	2253	2640	2928
84000	10992	77991	80400	67973
224250	26208	211556	306020	211281

COMMUNICATION COSTS

CELL PHONE CHARGES
WIFI
WIFI RECOVERY
TELEPHONE LINE RENTAL
HOUSE CALLS

68640	9795	63373	67440	60674
5400	923	4722	4560	4381
17520	2281	15140	17520	15015
(3600)	(1148)	(3396)	(1800)	(3009)
48540	7700	46200	46200	43620
780	39	707	960	667

GUEST ENTERTAINMENT

GGE WELCOME DRINKS
GUEST ENTERTAINMENT/PRIZES
MNET EXPENSES
TV LICENCE
GUEST ENTERTAINMENT GAMES RECOVERY

78795	11885	79943	81690	71959
2760	287	2538	2700	2498
2000	0	2000	2520	260
70455	11094	72056	72810	66352
3580	547	3392	3660	3284
0	(43)	(43)	0	(435)

MAINTENANCE

ESTATE LEVY
UNITS
GARDEN AND GROUNDS
PLANTS
POOL COSTS
OFFICE EQUIPMENT/COMPUTER MAINT
REPLACEMENTS - UNITS
BREAKAGE RECOVERY
REPLACEMENTS - LINEN
PEST CONTROL

879180	134496	837379	837280	801191
541008	85800	514800	514800	485784
120000	21208	114000	114000	120651
122472	19440	116640	116640	109944
4000	0	4000	4000	2349
9600	1909	9600	9600	8253
4800	760	4560	4560	5129
31800	4967	30166	30240	29365
(3600)	(503)	(3302)	(3360)	(3609)
44000	0	42000	42000	39721
5100	915	4915	4800	3604

MOTOR AND TRAVELLING

COMBI CAR CONTRIBUTION - FAIRWAYS
TRANSPORT COSTS - FAIRWAYS
LOCAL DBN TRIPS

55245	8790	52190	52190	49665
18720	2940	17640	17640	16800
33600	5300	31800	31800	30240
2925	550	2750	2750	2625

INCREASE 3.9% - 2024
INCREASE 4.07% - 2025

ANNUAL BUDGET 2025	2 MONTH ACTUAL 2024	PROJECTED ACTUAL 2024	ANNUAL BUDGET 2024	JAN TO DEC ACTUAL 2023
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REMUNERATION

SALARIES AND WAGES NET	588848	84461	537999	534035	476070
SALARIES AND WAGES	588848	85271	538809	534035	481470
ROOM SERVICE - SUNDAYS	0	(810)	(810)	0	(5400)
SECURITY	160680	24070	149121	148420	136815
SECURITY - BABOON PATROL EXPENSES	10800	768	10800	10800	11685
CLEANING CONTRACT	597900	85092	549905	545720	513930
STAFF COSTS - ACCOMM	137640	21840	131040	132000	130608
ACCOMMODATION REC	(83200)	(13950)	(75600)	(75600)	(72350)
UNIFORM	11150	0	10500	10500	10000
TRAINING	1980	0	1980	1980	0
WORKMEN'S COMPENSATION	3845	0	2025	2025	1913
STAFF COSTS OTHER	2280	360	2160	2160	(3695)
STAFF AWARDS BRAAI	2280	2170	2170	2170	2050
SUPPLIER - MEALS	600	0	600	600	2667
ENTERTAINMENT CONTRIBUTION - FAIRWAYS	25516	4100	25338	25338	19020
RESERVATIONIST CONTRIBUTION	79680	12530	75180	75180	71580
MANAGER CONTRIBUTION - FAIRWAYS	158136	24864	149184	149184	136980
MAINT. MANAGER CONTRIBUTION - FAIRWAYS	27360	4300	25800	25800	24300
RECEPTIONIST CONTRIBUTION - FAIRWAYS	60299	8794	55844	55844	53969

UTILITIES

ELECTRICITY	1228725	95755	1054655	1090400	893775
REFUSE	94608	15012	90072	90072	84888
WATER	122256	19404	116424	116424	109944
CSOS LEVY	8640	1440	8640	8640	8640
RATES	75630	11261	69935	70020	65845
SEWERAGE	30024	4752	28512	28512	27000
GENERATOR REPAIRS	65000	8467	8467	58000	91971
GENERATOR - DIESEL	336960	28956	482040	482040	475267

RESERVES

DEPRECIATION	4056	5800	1839	34800	34538
GENERAL RESERVES	381251	87970	527840	527830	526343
FURNITURE AND FIXTURES 7 YRS	129109	16000	96000	96000	59793
FURNITURE AND FIXTURES 12 YRS	77437	43978	263874	263874	298593
COMMON PROPERTY	66555	13718	82309	82309	82309
EXTERIOR PAINTWORK	87150	14274	85657	85647	85648
GENERATOR	21000	0	0	0	0

TOTAL EXPENSES

7346770	991576	7218852	7216589	6813205
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(SURPLUS)/DEFICIT (before interest)

188342	(166357)	216755	254414	616802
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INTEREST

BANK	
INVESTMENTS	
DEBTORS	

(SURPLUS)/DEFICIT (before tax)

(249113)	(259349)	(197154)	(98938)	215289
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TAXATION @ 27%

118113	26046	115895	98939	112419
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(SURPLUS)/DEFICIT (after tax)

(131000)	(233303)	(81259)	0	327708
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Collect levy deficit	131000
	(0)

2024 Year 2025 Year

Levy	7870	8190
Diesel Levy	515	360
Total R	8385	8550

Registration Number: 1972/009596/06

DRAKENSBERG GARDENS TIMESHARE SHARE BLOCK LIMITED

Registration Number: 1972/009596/06

NOMINATION OF DIRECTOR

A. NOMINATOR

I, _____, hereby nominate

_____ for election to the board of Directors to
be held on 24th June 2024

NOMINATOR SIGNATURE

Account/Shareblock number: _____

DATE: _____

B. ACCEPTOR

I, _____, hereby accept nomination for election
to the board of Directors

ACCEPTOR SIGNATURE

Account/Shareblock number: _____

DATE: _____

Nominations for Directors must include a 2 page brief CV and submitted to the Company's Office no later than 19th June 2024. Nominations may be made at the meeting if approved by a majority attending the meeting and with the consent of the nominee/s.