



# CHAKA'S ROCK CHALETs

CHAKA'S ROCK SHARE BLOCK PROPRIETARY LTD  
(REG NO: 1973/012130/06)

**AGM: 24 OCTOBER 2016**  
**ANNUAL REPORT: DECEMBER 2015**

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# CHAKA'S ROCK CHALETS

CHAKA'S ROCK CHALETS SHARE BLOCK (PROPRIETARY) LIMITED  
(Registration No.1973/012130/06)  
Directors: HM Adams, AW Bosch, PJM Botha, JW Meyer, CA Wright

21 September 2016

## NOTICE TO SHARE HOLDERS

### ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN OF THE ANNUAL GENERAL MEETING OF  
CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED THAT WILL TAKE PLACE ON:

DATE: MONDAY, 24 OCTOBER 2016  
VENUE: LA MONTAGNE  
100 COMPENSATION BEACH ROAD  
BALLITO

TIME: 09H00



**J Jordaan**  
Director

FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD



P O Box 1287, Pinetown, 3600  
Tel : 00 27 31 7177593  
Fax : 00 27 31 7019964  
E-mail : [johannj@firstresorts.co.za](mailto:johannj@firstresorts.co.za)

**CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED**  
**(Registration No.: 1973/012130/06)**

**DIRECTORS**

Messrs :

HM Adams  
A.W Bosch  
P.J.M Botha  
J.W Meyer

Ms: C.A Wright

**MANAGING AGENTS**

First Resorts and Hotel Management (Pty) Ltd.  
1 Crompton Street  
PINETOWN  
3610

Tel: (031) 7177593  
e-mail: [info@firstresorts.co.za](mailto:info@firstresorts.co.za)

P.O. Box 1287  
PINETOWN  
3600

Fax: (031) 7091680

**AUDITORS**

Moore Stephens CJL  
5<sup>th</sup> Floor, The Spinnaker  
Albert Terrace  
DURBAN

**BANKERS**

Standard Bank  
PINETOWN

# **CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED**

(Registration No: 1973/012130/06)

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# **CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED**

**(Registration No: 1973/012130/06)**

NOTICE is hereby given that an Annual General Meeting of Shareholders of  
Chaka's Rock Chalets Share Block Proprietary Limited will be held at  
La Montagne, 100 Compensation Beach Road, Ballito on Monday, **24 October 2016** at **09h00**

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## **AGENDA**

1. Welcome
2. Notice of Meeting
3. Attendance, proxies and apologies
4. Establishment of Quorum
5. Appointment of Chairman
6. Presentation of Minutes of Annual General Meeting held on 29 October 2015
7. Matters arising from the Minutes
8. Presentation of Chairman's Report and Social and Ethics Committee Report
9. Presentation of Audited Annual Financial Statements, together with the Directors' Report, the Auditor's Report and the Audit Committee Report, in respect of the year ended 31 December 2015
10. Approval of Auditor's remuneration
11. Appointment of Auditors for the financial year ending 31 December 2016
12. To determine the number of Directors for the ensuing year
13. Election of Directors  
Mr AW Bosch and Mr PJM Botha retire by rotation but being eligible, they offer themselves for re-election. Election of Directors to be considered with other nominations submitted, if any.
14. Appointment of Audit Committee  
Three Directors of the Company for appointment to the Company's Audit Committee

15. Presentation and acceptance of Insurance Values, subject to any amendment

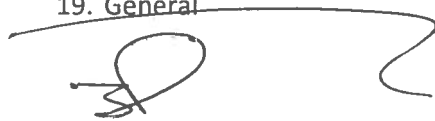
16. Presentation and acceptance of the estimate of Income and Expenditure for the year ending 31 December 2017

17. Interest rate charged on arrear levies

18. Approval of Directors' Remuneration

*NOTE: In terms of Section 66(9) of the Companies Act, the remuneration of the Directors must be approved by a Special Resolution of Members.*

19. General

A handwritten signature in black ink, appearing to be 'J. Jordaan', is written over a horizontal line.

**BY ORDER OF THE BOARD**

First Resorts and Hotel Management (Pty) Ltd

Per: J Jordaan

Pinetown, 21 September 2016

**NOTES:**

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.  
The proxy form attached hereto must be completed and received at the registered office of the Company at least 48 (FORTY EIGHT) hours before the scheduled commencement time of the meeting.
2. In terms of the Companies Act, 2008 the participants in the meeting – Members or their Proxy – must provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include a valid identity document, driver's licence or passport.

## EXPLANATORY NOTES OF THE MEETING NOTICE AND AGENDA

### 1. Record Date

The record date set by the Board in terms of *Section 59(1)* of the Companies Act, which is the date on which the Company's security register is closed for the purpose of determining which members are entitled to receive this Notice, and to participate in and vote at this Annual General Meeting is 30 September 2016.

### 2. Proxies

In terms of *Section 58* of the Companies Act, each member of the Company entitled to attend and vote at this Annual General Meeting, is entitled to appoint a proxy to attend, participate and vote at the Annual General Meeting in the place of the member.

A proxy need not be a member of the Company.

Further information regarding proxies, including a proxy form, is included in the Annual Report.

### 3. Identification

In terms of *Section 62(1)* of the Companies Act, members or their proxy must provide reasonably satisfactory identification before attending and participating in the Annual General Meeting, and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of a person to participate and vote has been reasonably verified, before they will be permitted to so participate and vote.

### 4. Chairman

In terms of the MOI, the Chairman of the Board of Directors shall preside at the Annual General Meeting.

If the Chairman is not present, or is unwilling to preside, one of the Directors present will chair the Annual General Meeting.

### 5. Quorum

In accordance with the Company's MOI, the quorum for an Annual General Meeting is 3 persons representing 1% of the share capital.

### 6. Voting

#### 6.1 Ordinary Resolution

In terms of the Company's MOI, *50% (Fifty Percent)* of the votes cast on an ordinary resolution by members present or represented and voting at the Annual General Meeting in favour of the ordinary resolution, are required for it to be adopted.

#### 6.2 Special Resolution

In terms of the Company's MOI, *75% (Seventy Five Percent)* of the votes cast on a special resolution by members present or represented and voting at the Annual General Meeting in favour of the special resolution, are required for it to be adopted.

### 7. Directors

In terms of the Company's MOI, Directors serve a certain term of year/s thus one *half* of the Directors retire each year, with the remaining Directors continuing in office. Retiring Directors are eligible for re-election.

### 8. Nomination of Directors

As part of the Annual Report, is the form for the nomination of individuals for election as Directors of the Company at the Annual General Meeting.

Details regarding the delivery of completed nomination forms are set out on the form itself.

Directors nominated must sign their consent to be *nominated*, and if *elected*, for the election to be effective, must deliver to the Company their consent in writing to serve the Company as a Director. *Section 66 (7) (b)*.

### 9. Remuneration of Directors

In accordance with *Section 66(9)* of the Companies Act, any remuneration of the Directors must be approved by the members at the Annual General Meeting by Special Resolution.

# **CHAKA'S ROCK CHALETS SHARE BLOCK (PTY) LTD**

**(REG. NO. 1973/012130/07)**

**MINUTES OF THE ANNUAL GENERAL MEETING**

**HELD AT LA MONTAGNE, 100 COMPENSATION BEACH ROAD, BALLITO**

**ON THURSDAY, 29 OCTOBER 2015 AT 09H00**

## **PRESENT:**

Mr A Bosch (In the Chair)

Mr J W Meyer

Ms C A Wright

Mr P Botha

Members present in person or by proxy as per the attendance register

## **IN ATTENDANCE:**

Representing First Resorts and Hotel Management (Pty) Ltd

Mr W Bester

Ms F Lingard

### **1. WELCOME**

Mr W Bester welcomed all present.

### **2. NOTICE OF MEETING**

It was unanimously agreed that the notice of the meeting, having been circulated, be taken as read.

### **3. ATTENDANCE, PROXIES AND APOLOGIES**

An apology was recorded from Mr S E Lamont.

The Managing Agent tabled 8 proxies totalling 5340 shares, which had been received within the prescribed time.

### **4. ESTABLISHMENT OF A QUORUM**

Mr W Bester confirmed that a quorum was present and declared the meeting properly constituted.

### **5. APPOINTMENT OF CHAIR**

Mr A Bosch was unanimously elected to chair the meeting

### **6. PRESENTATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 31 OCTOBER 2014**

Amendments:

Special Resolution No 1: Replace "28 February 2014" where it appears, with "28 February 2015".

Further Resolved: Replace "31 December 2015" where it appears with "31 December 2016".

#### **Ordinary Resolution No. 1**

Resolved that:

The Minutes of the Annual General Meeting of the Company held on 31 October 2014, as amended, be and are hereby, accepted.

Proposed: Ms C A Wright

Seconded: Mr P Botha

### **7. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 31 OCTOBER 2014**

No matters were raised.

### **8. PRESENTATION OF CHAIR'S REPORT AND SOCIAL AND ETHICS COMMITTEE REPORT**

It was unanimously agreed that the Chair's report and Social and Ethics Committee Report, having been circulated, be taken as read.



**9. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS, TOGETHER WITH THE DIRECTORS' REPORT, THE AUDITORS REPORT AND THE AUDIT COMMITTEE REPORT, IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2014**

**Ordinary Resolution No. 2**

The Chair presented the signed and approved Audited Financial Statements, and the reports of the Directors, Auditors and Audit Committee, in respect of the year ended 31 December 2014. There being no questions raised, or matters arising from the presentation, the shareholders unanimously approved the actions of the Directors.

**10. APPROVAL OF AUDITOR'S REMUNERATION**

**Ordinary Resolution No. 3**

Resolved that:

Payment of the Auditor's remuneration in the sum of R41,600 for the year ending 31 December 2014 be, and is hereby, approved.

**11. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015**

**Ordinary Resolution No. 4**

Resolved that:

As there was no objection or counter proposal Messrs Moore Stephens CJL, continue to serve as the Auditors of the Company for the financial year ending 31 December 2015.

**12. DETERMINE THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR**

**Ordinary Resolution No. 5**

Resolved that:

The number of Directors to serve on the Board for the ensuing year remained at five (5).

**13. ELECTION OF DIRECTORS**

Mr J W Meyer and Ms C A Wright retired by rotation but being eligible, they offered themselves for re-election. Mr S E Lamont retired by rotation but was not available for re-election. Nominations were received for Mr J W Meyer, Ms C A Wright and Mr H M Adams.

**Ordinary Resolution No. 6**

Resolved that:

The election of Mr J W Meyer, Ms C A Wright and Mr H M Adams as Directors of the Company be approved by a single resolution.

Further Resolved that:

Mr J W Meyer, Ms C A Wright and Mr H M Adams be, and are hereby, elected as Directors of the Company. The Directors for the forthcoming year will be Mr J W Meyer, Mr A Bosch, Ms C A Wright, Mr P Botha and Mr H M Adams.

**14. APPOINTMENT OF AUDIT COMMITTEE**

It was noted that, Chaka's Rock Chalets being a proprietary company, the appointment of an audit committee was not a statutory requirement, and the appointment of an audit committee would be decided upon at a Board Meeting.

**15. PRESENTATION AND ACCEPTANCE OF INSURANCE VALUES, SUBJECT TO ANY AMENDMENT**

It was noted that the revaluation of the resort had been conducted during the past year and the insurance cover had been adjusted accordingly. As the period of insurance terminates 1 March 2016, it was proposed that the Directors ascertain the insurance requirements for the balance of the year and insure accordingly. The meeting requested clarification regarding the "Carnection" entry.

**Ordinary Resolution No 7**

Resolved that:

The insurance values, the annual premium, the Broker and Insurers for the period terminating 1 March 2016 be approved.

Further Resolved that:

The Directors be charged with the duty of reviewing the insurance requirements for the balance of 2016 and to attend to the Insurance requirements accordingly.

**16. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE IN RESPECT OF THE YEAR ENDING 31 DECEMBER 2016**

The Board recommended a year on year levy increase of 7.5% at the Company's annual budget meeting. Due to the change in the company's financial year end, this resulted in an effective increase of 8% in total levies receivable.

**Ordinary Resolution No 8**

Resolved that:

The estimate of Income and Expenditure for the year ending 31 December 2016 be, and is hereby, approved.

**17. INTEREST RATE CHARGED ON ARREAR LEVIES**

The Shareholders considered the interest rate charged on arrear levies.

**Ordinary Resolution No 9**

Resolved that:

The interest rate on arrear levies be charged at 2% per month.

**18. APPROVAL OF DIRECTORS' REMUNERATION**

The shareholders considered the amount proposed as Directors remuneration for each meeting attended In terms of Section 66(9) of the Companies Act.

**Special Resolution No. 1**

Unanimously Resolved that:

The Directors remuneration of R3000,00 each per meeting attended be and is hereby approved for the year ending 31 December 2016 and that the directors reasonable travel costs in respect of such meetings be reimbursed.

**19. APPROVAL OF AMENDMENTS TO MEMORANDUM OF INCORPORATION**

The Shareholders considered the proposed amendments as resolved by the Board and the reasons and effect thereof.

**Ordinary Resolution No 10**

Unanimously Resolved that:

The amendments to the Memorandum of Incorporation be, and are hereby, ratified.

**20. GENERAL**

**20.1 2016 Timeshare Calendar**

It was noted that the Easter School holidays which normally spanned two peak weeks now only spanned one full peak week period, the last three days of the holidays fell in the second week and was therefore not a full week as per the use-agreement. The Chair requested the Managing Agent to advise the affected Shareholders accordingly.

**20.2 RCI**

Ravani Naicker of RCI complimented the Board on the recent refurbishment at the resort, commenting further that water restrictions in the area continue to be a challenge. The situation would need careful consideration and monitoring.

There being no further business, the Chair thanked everyone for their attendance and dissolved the meeting.

Read and confirmed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
CHAIR

# CHAKA'S ROCK SHARE BLOCK PROPRIETARY LIMITED

## Chairman's Report For the year ended 31 December 2015

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I am privileged to present the Chair's Report on progress at the Resort during the past year. The amount of guest and shareholder interaction and feedback, has been a great contributor to the constant upgrades and improvements to the resort, as will be seen hereunder.

Chaka's Rock Chalets received the RCI "Investment In Hospitality" award for 2015. The resort furthermore maintains the Silver Crown standards.

The resort was again graded by AA Quality Assured Accommodation Programme and awarded "Highly Recommended" status.

The internal refurbishment of the main complex is complete and the results are very impressive. The six units across the road are scheduled to be completed by October 2016.

Apart from the refurbishment programme, the following items were attended to:

- Re-construction and re-surfacing of the entire tennis court has been effected.
- Due to aging issues, a new trampoline with a galvanized frame was installed.
- A generator was purchased and commissioned to provide back-up power for the entire resort, due to intermittent electricity outages in the area.
- WIFI has been installed and is available throughout the resort.
- A renovation programme for the exterior of the buildings has been put in place and implemented. This includes, but is not limited to, repairing surface cracks, expansion joints, façade painting, and the application of roof sealant.
- Ongoing installation and replacement of electrical appliances.
- Risk Assessment training was provided for Resort Management. Fire equipment was serviced and replaced where applicable.
- Front Office staff was trained on Micros Opera and Front Office SOP's. The entire Housekeeping department was trained on the respective SOP's as well.
- All resort staff members were trained on Customer Centric Phase 2.
- The resort received a brand-new Toyota Hilux Bakkie.
- The Resort has acquired a John Deere golf cart to assist with transporting laundry and other needs.

As part of Social Development and Involvement the Resort maintains its assistance and involvement with Zilungisele combined school and Kwa-Mamma (Care Centre), whereby old linen/towels are donated to the Centre.

On behalf of the Board, I would like to thank management and staff for maintaining service excellence and their commitment to making Chaka's Rock Chalets a holiday destination of choice.

Thank you

  
**Alex Bosch**  
CHAIR

# CHAKA'S ROCK CHALETs SHARE BLOCK PROPRIETARY LIMITED

(Registration No: 1973/012130/06)

## REPORT BY THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE

Another year has sped past and it is my pleasure as Chair of the Social and Ethics Committee to report on the activities of the Social and Ethics committee, which consists of Mr J Meyer and Ms C Wright.

The committee attends to matters relating to the Code of Conduct for the company which focus on its mandate to ensure that the Company is ethically sound, socially sustainable and environmentally conscious. It also includes the duty to monitor the activities of the company, having regard to any relevant legislation, other legal requirements or prevailing Codes of Best Practices.

The Committee is obligated to report to the Shareholders at an Annual Shareholders Meeting regarding the execution of its mandate and activities.

The Committee is therefore pleased to report that various initiatives have been launched / rekindled under the authority of the relevant departments guided by the Code of Conduct for the Company. These relate to recruiting, training, health and safety responsibility and awareness, the ongoing monitoring of the eco-balance and influences on the habitat and fauna. The Committee and staff are ever mindful of our combined stewardship role relating to the preservation of the bio-diverse area in which the resort is situate and the long term sustainability of the assets and environment entrusted to all stakeholders, specifically including our members and guests who share the privileges of the Resort and environment.

The following initiatives were pursued and/or initiated in the past year.

**Training:** Counselling sessions regarding the HIV and Aids and Positive Health were given to all the staff members.

In addition thereto staff have undergone training in the following areas: Risk Assessment, Customer Centric Phase 1 and 2, which resulted in our Resort achieving the Customer Centric Excellence award, On Line Bookings, Standard Operating Procedures – Front Office and Housekeeping, Opera (Reservations Programme), Wrike, Guest Relations, Assets Disposal Policy, Telephone Elocution.

**Fauna and Flora:** Management has concentrated on introducing indigenous plants and controlling invader, invasive and non-indigenous plants. The Resort annually observes Arbour month by planting indigenous plants at undeveloped schools in the local municipal district.

**Ethics:** The Board consistently reviews the ethical standards of staff performance via a whistle-blower policy and reviews the actions of the company in respect of its commercial dealings with third parties as well. Our Ethical Standards have also added to our achieving the "Investment in Hospitality" award for 2015 with RCI.

**Social Sustainability:** Sustainability is defined by the Brundtland Commission, 1987 as "meeting the needs of today without compromising the ability of future generations to meet their own needs" All development projects and impacts on the environment are judged with this objective in mind.

**Environmental Consciousness:** As part of Social Development and Involvement the Resort maintains its assistance and involvement with Zilungisele Combined School and Kwa-Mamma (Care Centre), whereby old linen/towels are donated to the Centre.

I invite our shareholders to make contact with me or any of the members of the committee should there be any issues you wish to query or to bring to our confidential attention.

*On Behalf of the*  
Social and Ethics Committee

Chaka's Rock Chalets Share Block Proprietary Limited  
(Registration number 1973/012130/07)  
Annual Financial Statements  
for the year ended 31 December 2015

These annual financial statements were internally prepared by:  
Wynand Bester AGA (SA)  
Financial Manager of First Resorts and Hotel Management Proprietary Limited

Published 24 May 2016

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Index

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The reports and statements set out below comprise the annual financial statements and supplementary information presented to the shareholders:

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

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**Level of assurance :** These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008 and the Share Blocks Control Act No. 59 of 1980

## **Chaka's Rock Chalets Share Block Proprietary Limited**

(Registration number 1973/012130/07)

Annual Financial Statements for the 12 months ended 31 December 2015

### **Certificate by Company Secretary**

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In our opinion as company secretary, we hereby confirm, in terms of the Companies Act No. 71 of 2008, that for the year ended 31 December 2015, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a private company in terms of the Act and that all such returns are true, correct and up to date.



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On behalf of First Resorts and Hotel Management Proprietary Limited

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act No. 71 of 2008 and the Share Blocks Control Act No. 59 of 1980, 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 year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

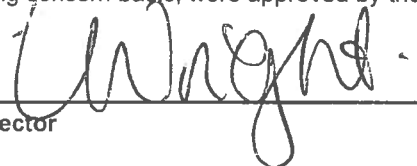
The directors acknowledge that they are ultimately responsible for the system of internal control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for 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.

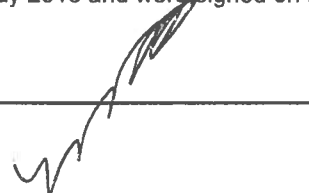
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements, however, any system of internal control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

The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is 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 auditor and the auditor's report is presented on pages 4-5.

The annual financial statements and supplementary information set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 24 May 2016 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Independent Auditor's Report

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### To the shareholders of Chaka's Rock Chalets Share Block Proprietary Limited

We have audited the annual financial statements of Chaka's Rock Chalets Share Block Proprietary Limited, as set out on pages 7 to 18, which comprise the statement of financial position as at 31 December 2015, the levy statement, statement in changes of equity, and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act No. 71 of 2008 and the Share Blocks Control Act No. 59 of 1980, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Chaka's Rock Chalets Share Block Proprietary Limited as at 31 December 2015, and its financial performance and its 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 No. 71 of 2008 and the Share Blocks Control Act No. 59 of 1980.

### Supplementary Information

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on page 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

### Other report required by the Companies Act No. 71 of 2008

As part of our audit of the annual financial statements for the year ended 31 December 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading the directors' report we have not identified material inconsistencies between that report and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

## Independent Auditor's Report

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### Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in the Government Gazette No. 39475 dated 04 December 2015, we report that Moore Stephens CJL has been the auditor of Chakas Rock Share Block Proprietary Limited for 7 years.

  
Moore Stephens CJL  
Chartered Accountants (S.A.)  
Registered Auditor

D Harryparsad

Durban  
24 May 2016

## Annual Financial Statements for the year ended 31 December 2015

The directors submit their report for the year ended 31 December 2015.

## Main business and operations

The share block continues to carry on the business of operating a timeshare resort known as Chaka's Rock Chalets, situated at 68 Ocean Drive, Chaka's Rock, KwaZulu-Natal.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors are not aware of any material matter or circumstance arising since the end of the financial year that requires disclosure in these annual financial statements.

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

No dividends were declared or paid to shareholders during the year (2014 : RNil).

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

Name	Changes
H M Adams	Appointed 29 October 2015
A W Bosch	
P J M Botha	
S E Lamont	Resigned 29 October 2015
J W Meyer	
C A Wright	

The secretary and managing agent of the company is First Resorts and Hotel Management Proprietary Limited of:

Business address	1 Crompton Street Pinetown 3610
Postal address	P O Box 1287 Pinetown 3600

The share block units and their contents are insured at current replacement values. The company does not insure personal belongings of the individual timeshare owners. The company does not guarantee the provision of an alternative timeshare such as in the event of a natural disaster, and does not take out insurance against the occurrence of the risk.

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Statement of Financial Position

Figures in Rand	Notes	31 December 2015	31 December 2014
<b>Assets</b>			
<b>Non-Current Assets</b>			
Net financial asset	2	11 100	11 100
<b>Current Assets</b>			
Inventories	3	94 739	126 321
Levies receivable	4	2 069 817	181 159
Other receivables	5	702 731	518 047
Cash and cash equivalents	6	466 349	4 441 043
		<b>3 333 636</b>	<b>5 266 570</b>
<b>Total Assets</b>		<b>3 344 736</b>	<b>5 277 670</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	11 100	11 100
Reserves		582 385	2 300 101
		<b>593 485</b>	<b>2 311 201</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Current tax payable		124 108	123 144
Other payables	8	1 294 680	494 251
Levies received in advance		1 332 463	2 349 074
		<b>2 751 251</b>	<b>2 966 469</b>
<b>Total Equity and Liabilities</b>		<b>3 344 736</b>	<b>5 277 670</b>

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Levy Statement

Figures in Rand	Notes	12 Months ended 31 December 2015	10 Months ended 31 December 2014
Levies raised	9	11 119 337	8 775 961
Other income		207 054	162 032
Expenditure		(9 095 101)	(6 812 597)
Refurbishment expenditure	10	(4 011 807)	(4 508 311)
<b>Levy deficit before interest and taxation</b>	11	<b>(1 780 517)</b>	<b>(2 382 915)</b>
Interest received		127 745	270 745
<b>Levy deficit before taxation</b>		<b>(1 652 772)</b>	<b>(2 112 170)</b>
Taxation	12	(64 944)	(68 799)
<b>Levy deficit for the year transferred from reserves</b>		<b>(1 717 716)</b>	<b>(2 180 969)</b>

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Statement of Changes in Equity

	Share capital	Reserves	Accumulated levy surplus/(deficit)	Total equity
Figures in Rand				
<b>Balance at 01 January 2014</b>	<b>11 100</b>	<b>4 481 070</b>	<b>-</b>	<b>4 492 170</b>
Levy deficit for the year	-	-	(2 180 969)	(2 180 969)
Transfer from reserves	-	(2 180 969)	2 180 969	-
<b>Balance at 01 January 2015</b>	<b>11 100</b>	<b>2 300 101</b>	<b>-</b>	<b>2 311 201</b>
Levy deficit for the year	-	-	(1 717 716)	(1 717 716)
Transfer from reserves	-	(1 717 716)	1 717 716	-
<b>Balance at 31 December 2015</b>	<b>11 100</b>	<b>582 385</b>	<b>-</b>	<b>593 485</b>
Note	7			

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Statement of Cash Flows

Figures in Rand	Notes	12 Months ended 31 December 2015	10 Months ended 31 December 2014
<b>Cash flows from operating activities</b>			
Cash receipts from shareholders		10 731 208	9 831 356
Cash paid to suppliers and employees		(14 769 667)	(12 790 756)
Cash utilised in operations	14	(4 038 459)	(2 959 400)
Interest received		127 745	270 745
Tax paid	15	(63 980)	(55 510)
<b>Net cash utilised in operating activities</b>		<b>(3 974 694)</b>	<b>(2 744 165)</b>
<b>Total cash movement for period</b>		<b>(3 974 694)</b>	<b>(2 744 165)</b>
Cash at the beginning of the period		4 441 043	7 185 208
<b>Total cash at end of the period</b>	6	<b>466 349</b>	<b>4 441 043</b>

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No. 71 of 2008 and the Share Blocks Control Act No. 59 of 1980. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value or amortised cost, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

##### Provisions

The company reviews provisions at each reporting date and adjusts them to reflect the current best estimate of the amount that would be required to settle the obligation at that reporting period date. Any adjustments to the amounts previously recognised are recognised in surplus or deficit.

##### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 1.2 Financial instruments

##### Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement.

##### Levies receivable

Levies receivable are initially measured at fair value, and are subsequently measured at amortised costs using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

##### Other payables

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with the banks. These are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.



# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

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### 1.3 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting period date.

#### Tax expenses

Current taxes are recognised as income or an expense and included in surplus or deficit for the period.

### 1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity on the statement of financial position.

The company's loan obligation to shareholders is classified as equity as it does not bear interest and is not repayable, save in the event of winding up the company (Refer to note 2).

### 1.5 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

### 1.6 Provisions and contingencies

Provisions are recognised when:

- the company has an obligation at the reporting 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.

### 1.7 Revenue

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised on the accrual basis 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.

### 1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

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### 1.9 Reserves and refurbishment expenditure

Normal maintenance expenditure and refurbishment expenditure is written off against the levy operating statement.

A reserve for expenditure on property, plant and equipment is provided for. This reserve is intended to provide for the acquisition, replacement and refurbishment of property, plant and equipment, including maintenance expenditure regarded by the directors as being beyond the scope of the normal maintenance component of levy expenditure. Levies collected annually include an amount in respect of the reserve for expenditure on property, plant and equipment and transfers are made to and from this reserve, having regard to surpluses, if any, in the levy operating statement and to amounts expended in respect of property, plant and equipment.

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2015	10 months ended 31 December 2014
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### 2. Net financial asset

Loans from shareholders	(5 340 939)	(5 340 939)
Right of use of property vested in shareholders	5 507 759	5 507 759
Transfer from non-distributable reserve	(155 720)	(155 720)
	<u>11 100</u>	<u>11 100</u>

The loans from shareholders together with the share capital represent the shareholders' investment in the company, which investment in conjunction with a use agreement, gives right to accommodation in the building. The right of use vested in the shareholders has been offset against the loans from shareholders. The net financial asset arises from the assignment of the right of use of the property owned by the company to the shareholders in excess of their loans.

Land described as Erf 244 Chaka's Rock, situated in the Dolphin Coast Transitional Local Council Area, Province of KwaZulu-Natal, in the extent of 2,2904 hectares by virtue of Certificate on Consolidation Title T.18923/1992 together with buildings thereon, were originally purchased for R79,585 and are not recognised because although the company has legal title to the property it effectively owns the bare dominium over the property which is considered to be of no value. The buildings and contents are insured for R113,807,122. There are no bonds on the property.

### 3. Inventories

Consumables	3 528	27 098
Stationery	12 727	11 569
Snack shop	1 197	6 830
Guest amenities	46 613	42 237
Fred stock	19 404	28 306
Cazabella stock	11 270	10 281
	<u>94 739</u>	<u>126 321</u>

### 4. Levies receivable

Levy debtors	2 333 269	190 336
Provision for doubtful debts	(263 452)	(9 177)
	<u>2 069 817</u>	<u>181 159</u>

### 5. Other receivables

Prepayments	37 475	62 921
Value added taxation	665 256	455 126
	<u>702 731</u>	<u>518 047</u>

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	347	2 000
Cash at bank - interest bearing current account	410 689	186 770
Cash on call	55 313	4 252 273
	<u>466 349</u>	<u>4 441 043</u>

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand	12 Months ended 31 December 2015	10 Months ended 31 December 2014
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### 7. Share capital

#### Authorised

336 ordinary par value "A" shares of R1 each; and  
1248 ordinary par value "B" shares of R1 each; and  
9516 ordinary par value "C" shares of R1 each

11 100	11 100
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#### Issued

336 ordinary par value "A" shares of R1 each; and  
1,248 ordinary par value "B" shares of R1 each; and  
9,516 ordinary par value "C" shares of R1 each

11 100	11 100
--------	--------

Ordinary "A" (336) shares entitle the holder to all unsold weeks and maintenance weeks (if any), the administration centre and the right to occupy and develop all the undeveloped property of the company in terms of the approved building plans.

Ordinary "B" (1248) and "C" (9516) shares entitle the holder thereof to the right of use and occupation of the chalets in perpetuity.

### 8. Other payables

Accounts payable  
Sundry payables  
Breakage deposits received

1 094 500	310 096
192 981	176 955
7 200	7 200
<b>1 294 681</b>	<b>494 251</b>

### 9. Levies raised

Levy income

11 119 337	8 775 961
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### 10. Refurbishment expenditure and replacements

Appliances  
Buildings  
Curtains and carpeting  
Cutlery and crockery  
Furniture and fittings  
Linen  
Small tools  
Plumbing  
Painting  
Pool  
Geysers  
Refuse expensed under refurbishment  
Delivery and transport cost  
Tiling  
Mini golf course  
Electrical / generator

396 288	41 151
347 345	846 708
1 749 180	234 377
8 205	57 655
1 237 478	2 725 157
24 375	87 117
12 548	-
37 622	-
38 808	-
10 825	28 265
2 239	23 803
-	43 583
10 766	56 756
2 258	149 947
-	189 253
133 870	24 539
<b>4 011 807</b>	<b>4 508 311</b>

### 11. Levy deficit before interest and taxation

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

Employee costs

3 917 557	3 083 535
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# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand	12 Months ended 31 December 2015	10 Months ended 31 December 2014
<b>12. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax - current period	64 944	68 799
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting deficit and tax expense.		
Accounting deficit	(1 652 772)	(2 112 170)
Tax at the applicable tax rate of 28% (2014: 28%)	(462 776)	(591 408)
<b>Tax effect of adjustments on taxable income</b>		
Less: Exempt levies	(3 113 414)	(2 457 269)
Add: Disallowed expenditure	3 655 134	3 131 476
S10(1)(e) exemption	(14 000)	(14 000)
	<b>64 944</b>	<b>68 799</b>
No provision for taxation of levies has been made as the company is exempt from taxation in terms of Section 10(1)(e) of the Income Tax Act. Taxation is provided on non-levy income and interest received in excess of R 50,000 after deducting a proportionate share of certain administrative expenses.		
<b>13. Auditor's remuneration</b>		
Fees	50 850	41 600
Other services	1 786	-
	<b>52 636</b>	<b>41 600</b>
<b>14. Cash utilised in operations</b>		
Levy deficit before taxation	(1 652 772)	(2 112 170)
<b>Adjustments for:</b>		
Interest received	(127 745)	(270 745)
<b>Changes in working capital:</b>		
Inventories	31 582	(66 162)
Other receivables	(184 684)	(42 662)
Levies receivable	(1 888 658)	(173 240)
Other payables	800 429	(219 305)
Levies received in advance	(1 016 611)	(75 116)
	<b>(4 038 459)</b>	<b>(2 959 400)</b>
<b>15. Tax paid</b>		
Balance at beginning of the period	(123 144)	(109 855)
Current tax for the period recognised in the levy statement	(64 944)	(68 799)
Balance at end of the period	124 108	123 144
	<b>(63 980)</b>	<b>(55 510)</b>

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand

12 Months ended 31 December 2015	10 Months ended 31 December 2014
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### 16. Insurance

The assets of the company, together with the public and employees liability, are covered in terms of a policy issued by Curnow Garrun Insurance Company. The policy in force at 31 December 2015, expired and was renewed on the same date. The buildings and contents are insured for R113,807,122.

### 17. Directors' remuneration

#### 12 Months ended 31 December 2015

	Emoluments	Re-imbursive travel allowance	Total
A W Bosch	9 000	11 795	20 795
P J M Botha	6 000	4 000	10 000
S E Lamont	6 000	-	6 000
C A Wright	9 000	1 144	10 144
J W Meyer	6 000	-	6 000
	<b>36 000</b>	<b>16 939</b>	<b>52 939</b>

#### 10 months ended 31 December 2014

	Emoluments	Re-imbursive travel allowance	Total
A W Bosch	6 000	13 106	19 106
P J M Botha	6 000	16 000	22 000
S E Lamont	3 000	-	3 000
C A Wright	3 000	-	3 000
J W Meyer	3 000	-	3 000
	<b>21 000</b>	<b>29 106</b>	<b>50 106</b>

Remuneration in respect of C.A. Wright and S.E. Lamont is not paid to said director personally, but has been paid to the director's employer.

### 18. Related parties

#### Relationships

Managing agent

First Resorts and Hotel Management Proprietary Limited

P.M. Johnson, who was a director of Lot 95 Chakas Rock Share Block Proprietary Limited (changed to Chakas Rock Chalets Share Block Proprietary Limited on 21 January 2014), is also a member of the following close corporations:

UCL Investments Close Corporation

CRC Management Services Close Corporation

#### Related party balances

##### Loan accounts - Owing by related parties

UCL Investments Close Corporation	-	381 511
CRC Management Services Close Corporation	-	380 517

#### Related party transactions

##### Management and accounting fees paid to related party

First Resorts and Hotel Management Proprietary Limited	691 439	439 230
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# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand

12 Months ended 31 December 2015	10 Months ended 31 December 2014
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### 19. Risk management

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash resources to meet the operating requirements of the company. The shareholders are obliged to contribute levies sufficient to cover the costs of maintenance, upkeep and management of the resort.

#### Capital risk management

The funding of property was initially provided by share capital, together with an associated loan obligation.

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern. To achieve this, all costs associated with the maintenance of the resort, including the refurbishment of the property and replacement of moveable property, plant and equipment, are financed out of levies from shareholders.

#### Interest rate risk

Deposits and balances with the banks attract interest at rates that vary with prime. The company policy is to manage interest rate risk so that fluctuation in the variable rates do not have an impact on the levy surplus/deficit.

The company has no significant interest-bearing assets, except for cash and cash equivalents. The company's income operating cash flows are substantially independent of the changes in market interest rates.

The company has no interest-bearing borrowings.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and levy debtors. The company only deposits cash with major banks with a high quality credit standing and limits exposure to any other counter-party.

Levies receivable comprise of a widespread shareholder base. Management evaluates credit risk relating to shareholders on an ongoing basis.

# Chaka's Rock Chalets Share Block Proprietary Limited

(Registration number 1973/012130/07)

Annual Financial Statements for the year ended 31 December 2015

## Detailed Levy Statement

Figures in Rand	12 Months ended Dec 2015 ACTUAL	12 Months ended Dec 2015 BUDGET	12 Months ended Dec 2015 VARIANCE	10 Months ended Dec 2014 ACTUAL
<b>LEVIES RECEIVED</b>	11 119 337	11 094 549	24 788	8 775 961
<b>OTHER INCOME</b>	334 798	362 284	(27 486)	432 777
Interest received	127 745	250 000	(122 255)	270 745
Rental Income - Cellubeauty	21 779	11 500	10 279	12 241
Sundry income	197 804	95 973	101 831	147 073
Tuckshop / Surplus/(Deficit)	(12 530)	4 811	(17 341)	2 718
<b>TOTAL INCOME</b>	<b>11 454 135</b>	<b>11 456 833</b>	<b>(2 698)</b>	<b>9 208 738</b>
<b>ADMINISTRATION COSTS</b>	1 072 569	1 176 060	103 491	716 332
Accounting fees	-	-	-	84 587
Advertising and signage	126 954	124 400	(2 554)	101 718
AGM costs	2 511	27 222	24 711	17 600
Auditor's fees	52 636	49 320	(3 316)	41 600
Provision for Bad Debt	270 000	270 000	-	(22 758)
Bank charges	74 708	83 205	8 497	51 928
Computer expenses	154 607	180 760	26 153	140 062
Directors fees and travelling expenses	52 939	110 664	57 725	50 106
Interest paid	8 983	-	(8 983)	4 508
First Exchange Fee	116 520	101 626	(14 894)	79 148
Legal expenses	12 989	1 100	(11 889)	-
Motor vehicle expenses	-	-	-	19 566
Postage and courier	15 823	22 862	7 039	16 460
Printing and stationery	120 690	127 599	6 909	97 452
Subscriptions	33 483	40 152	6 669	24 141
Travelling and meeting expenses	29 726	37 150	7 424	10 214
<b>ON SITE EXPENSES</b>	798 419	812 141	13 722	620 607
Cleaning materials	77 951	66 000	(11 951)	59 430
Guest entertainment	66 703	66 661	(42)	28 646
Laundry expenses	80 199	83 530	3 331	75 421
DSTV expenses	172 689	201 140	28 451	161 803
Pest control	31 981	34 980	2 999	25 190
Service expenses	234 883	220 855	(14 028)	151 430
Telephone	114 462	126 408	11 946	87 691
TV & camera hire	-	-	-	14 287
TV Licence	19 551	12 567	(6 984)	16 709
<b>PROPERTY EXPENSES</b>	2 585 742	2 740 741	155 000	1 887 215
Electricity and water	779 971	859 145	79 174	639 418
Insurance	119 029	86 850	(32 179)	55 413
Rates, refuse and sewerage	704 174	689 432	(14 742)	501 309
Repairs and maintenance	579 784	711 427	131 643	381 674
Security	402 783	393 887	(8 896)	309 401
<b>MANAGEMENT FEE</b>	691 439	691 439	-	439 230
<b>STAFFING AND CLEANING CONTRACTS</b>	3 946 931	3 933 058	(13 873)	3 149 213
Salaries and wages	3 917 557	3 812 815	(104 742)	3 083 535
Staff expenses	20 349	35 943	15 594	36 382
Staff training	7 870	15 000	7 130	(1 914)
Uniforms	1 156	69 300	68 144	31 210
<b>EXPENDITURE</b>	<b>9 095 101</b>	<b>9 353 439</b>	<b>258 339</b>	<b>6 812 597</b>
<b>LEVY SURPLUS FOR THE YEAR</b>	2 359 038	2 103 394	255 644	2 396 145
PRIOR YEAR TAXATION	-	-	-	-
TAXATION	64 944	87 440	(22 496)	68 799
<b>LEVY SURPLUS AFTER TAXATION</b>	<b>2 294 091</b>	<b>2 015 949</b>	<b>278 142</b>	<b>2 327 343</b>
REFURBISHMENT EXPENDITURE & REPLACEMENTS	4 011 807	2 739 670	1 272 137	4 508 311
<b>LEVY DEFICIT FOR THE YEAR</b>	<b>(1 717 716)</b>	<b>(723 721)</b>	<b>(993 995)</b>	<b>(2 180 969)</b>
TRANSFER FROM RESERVE	1 717 716	723 721	993 995	2 180 969
	-	-	-	-

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



CHAKA'S ROCK CHALETS SHAREBLOCK (PTY) LTD  
INSURANCE COVER SCHEDULE

INSURED : CHAKA'S ROCK CHALETS SHAREBLOCK (PTY) LTD  
BROKERS : CURNOW GARUN



INSURANCE POLICY NUMBER	FIRST 054/014	FIRST 054/015	FIRST 054/018	FIRST 054/020	FIRST 054/021	FIRST 054/022	FIRST 054/023
INSURER	Hollard	New National	Guardrisk GPA	Carnation	Genlib	Carmargue	Curnow Garrun
INSURED PERIOD	01/06/2016 01/01/2017	01/01/2016 01/01/2017	01/03/2015 01/01/2017	01/03/2015 01/01/2017	01/01/2016 01/01/2017	01/04/2015 01/01/2017	01/04/2015 01/01/2017
CLASS	Sum Insured	Sum Insured	Sum Insured	Vehicle Hired	Sum Insured	Sum Insured	Sum Insured
BUILDINGS COMBINED	R 113,748,558						
OFFICE CONTENTS	R 58,564						
THEFT	R 40,000						
GLASS	R 8,052						
BUSINESS ALL RISK	R 2,200						
ACCIDENTAL DAMAGE	R 60,500						
PUBLIC LIABILITY	R 1,000,000						
EMPLOYERS LIABILITY	R 1,000,000						
COMPUTER/ELECTRONIC EQUIPMENT	R 146,168						
MOTOR	R 275,938						
PUBLIC LIABILITY		R 20,000,000				R 50,000,000	
NEW NATIONAL TOP UP LIABILITY							
EXCESS LAYER LIABILITY							
GROUP PERSONAL ACCIDENT			R 1,000,000		R 60,000,000		R 100,000,000
DIRECTORS, OFFICERS & TRUSTEES LIABILITY							
CARNATION *** Hire of 1 x Car / LDV				1			
Monthly Premium Inclusive of VAT	R 10,080	R 110	R 850	R 88	R 675	R 138	R 138



	TOTAL BUDGET DEC 2017	BUDGET DEC 2016	FORECAST DEC 2016	AUDITED DEC 2015
% Levy Increase	7%	8%	8%	
LEVY INCOME	12,874,312	12,032,068	12,032,068	11,119,337
SUNDRY INCOME	391,381	350,134	371,489	334,799
<b>TOTAL INCOME</b>	<b>13,265,693</b>	<b>12,382,202</b>	<b>12,403,557</b>	<b>11,454,136</b>
<b>EXPENDITURE</b>	<b>10,448,709</b>	<b>10,128,301</b>	<b>9,539,510</b>	<b>8,825,101</b>
Administration	949,015	902,476	831,347	802,569
On Site expenses	879,281	887,200	813,548	798,419
Property expenses	3,433,210	2,998,543	3,148,297	2,585,741
Management fee	676,260	626,166	626,172	579,784
Head Office Accounting, Administration and Direct Costs	583,021	539,834	539,832	111,655
Staffing	3,927,923	4,174,081	3,580,315	3,946,933
<b>NET SURPLUS BEFORE;</b>	<b>2,816,984</b>	<b>2,253,900</b>	<b>2,864,046</b>	<b>2,629,045</b>
Bad Debts Provision	270,000	270,000	270,000	270,000
Minus: Refurbishment Expenditure & Replacement	1,040,452	747,467	959,678	4,011,807
Taxation	95,587	84,038	90,017	64,944
<b>NET SURPLUS / (DEFICIT) after Tax</b>	<b>1,410,946</b>	<b>1,152,395</b>	<b>1,544,352</b>	<b>-1,717,716</b>
Transfer (to)/from Reserves	-1,410,946	-1,152,395	-1,544,352	1,717,716
	-	-	-	-

<b>REPLACEMENT RESERVE</b>				
Opening balance	2,126,736	1,829,294	582,385	2,300,101
Transfer to/(from) reserves	1,410,946	1,152,395	1,544,352	(1,717,716)
- Transfer to reserves	2,451,398	1,899,862	2,504,030	2,294,101
- Spend as per 5 year replacement plan	(1,040,452)	(747,467)	(959,678)	(4,011,807)
Closing balance	<b>3,537,682</b>	<b>2,981,689</b>	<b>2,126,736</b>	<b>582,385</b>



TOTAL BUDGET DEC 2017	BUDGET DEC 2016	FORECAST DEC 2016	AUDITED DEC 2015
12,874,312	12,032,068	12,032,068	11,119,337
12,874,312	12,032,068	12,032,068	11,119,337

**SCHEDULE "A" - LEVY INCOME**

Levies - Timeshare

120,000	200,000	120,000	127,745
260,218	143,934	239,109	224,527
11,163	6,200	12,380	-17,473
391,381	350,134	371,489	334,799

**SCHEDULE "B" - SUNDRY INCOME**

Interest earned

Sundry Income

Snack Shop / Tuckshop

137,249	150,300	136,997	126,954
3,398	29,944	3,140	2,511
53,825	49,480	50,825	52,636
81,510	101,060	74,100	74,708
230,022	159,046	167,875	154,607
108,180	111,209	84,750	52,939
-	-	977	8,983
6,210	1,100	10,650	12,989
8,580	13,720	8,580	15,823
131,133	107,909	119,277	120,690
39,335	35,804	35,935	33,483
114,212	105,993	106,740	116,520
35,361	36,912	31,500	29,726
949,015	902,476	831,347	802,569

**SCHEDULE "C" - ADMINISTRATION**

Advertising/signage & marketing

AGM costs

Audit fees

Bank and credit card charges

Computer expenses

Directors fees & travelling expense

Interest paid

Legal expenses

Postage & courier

Printing & stationery

Subscriptions

First Exchange

Travelling

82,800	82,088	75,250	77,951
43,961	50,590	43,880	66,703
107,807	94,828	98,058	80,199
232,080	216,700	212,220	172,689
36,340	36,254	34,340	31,981
265,500	243,580	245,836	234,883
93,470	125,869	85,464	114,462
0	18,341	2,575	0
17,322	18,951	15,924	19,551
879,281	887,200	813,548	798,419

**SCHEDULE "D" - ON SITE EXPENSES**

Cleaning material

Guest entertainment

Laundry expenses

DSTV expenses

Pest control

Service expenses

Telephones

TV Hire

TV Licences

1,066,250	708,000	952,000	623,336
153,357	137,538	158,602	119,029
848,884	790,406	785,441	704,174
741,467	752,120	674,485	579,784
418,251	417,179	394,769	402,783
205,000	193,300	183,000	156,635
3,433,210	2,998,543	3,148,297	2,585,741

**SCHEDULE "E" - PROPERTY COSTS**

Electricity

Insurance

Rates, refuse & sewerage

Repairs & maintenance - property

Security

Water

676,260	626,166	626,172	579,784
583,021	539,834	539,832	111,655
1,259,281	1,166,000	1,166,004	691,439

**SCHEDULE "F" - MANAGEMENT FEE**

First Resorts (Pty) Ltd

Head Office Accounting, Administration and Direct Costs



**SCHEDULE "G" - STAFFING**

Salaries & Wages  
Staff training  
Staff expenses  
Uniforms

TOTAL BUDGET DEC 2017	BUDGET DEC 2016	FORECAST DEC 2016	AUDITED DEC 2015
3,840,733	4,101,396	3,493,167	3,917,557
10,529	11,500	16,166	7,870
43,661	39,186	40,983	20,349
33,000	22,000	30,000	1,156
3,927,923	4,174,081	3,580,315	3,946,933

**SCHEDULE "H" - BAD DEBT PROVISION**

Bad debt provision

270,000	270,000	270,000	270,000
270,000	270,000	270,000	270,000

**SCHEDULE "I" - REFURBISHMENT EXPENDITURE AND REPLACEMENTS**

Refurbishment expenditure and replacements

1,040,452	747,467	959,678	4,011,807
1,040,452	747,467	959,678	4,011,807

Chakas Rock Share Block  
2017 Timeshare Calendar

Week	Start Date	End Date	Week Rank Name
1	06/01/2017	13/01/2017	Peak3
2	13/01/2017	20/01/2017	Peak1
3	20/01/2017	27/01/2017	Peak1
4	27/01/2017	03/02/2017	High
5	03/02/2017	10/02/2017	High
6	10/02/2017	17/02/2017	High
7	17/02/2017	24/02/2017	High
8	24/02/2017	03/03/2017	High
9	03/03/2017	10/03/2017	Medium
10	10/03/2017	17/03/2017	Medium
11	17/03/2017	24/03/2017	High
12	24/03/2017	31/03/2017	High
13	31/03/2017	07/04/2017	Peak3
14	07/04/2017	14/04/2017	Peak3
15	14/04/2017	21/04/2017	Peak1
16	21/04/2017	28/04/2017	High
17	28/04/2017	05/05/2017	High
18	05/05/2017	12/05/2017	Medium
19	12/05/2017	19/05/2017	Medium
20	19/05/2017	26/05/2017	Medium
21	26/05/2017	02/06/2017	Low
22	02/06/2017	09/06/2017	Low
23	09/06/2017	16/06/2017	Low
24	16/06/2017	23/06/2017	High
25	23/06/2017	30/06/2017	High
26	30/06/2017	07/07/2017	Peak2
27	07/07/2017	14/07/2017	Peak2
28	14/07/2017	21/07/2017	Peak2
29	21/07/2017	28/07/2017	Medium
30	28/07/2017	04/08/2017	Low
31	04/08/2017	11/08/2017	Medium
32	11/08/2017	18/08/2017	Medium
33	18/08/2017	25/08/2017	Medium
34	25/08/2017	01/09/2017	Medium
35	01/09/2017	08/09/2017	Low
36	08/09/2017	15/09/2017	Low
37	15/09/2017	22/09/2017	Low
38	22/09/2017	29/09/2017	High
39	29/09/2017	06/10/2017	Peak2
40	06/10/2017	13/10/2017	Low
41	13/10/2017	20/10/2017	Low
42	20/10/2017	27/10/2017	Low
43	27/10/2017	03/11/2017	Low
44	03/11/2017	10/11/2017	Medium
45	10/11/2017	17/11/2017	Medium
46	17/11/2017	24/11/2017	Medium
47	24/11/2017	01/12/2017	Medium
48	01/12/2017	08/12/2017	Peak1
49	08/12/2017	15/12/2017	Peak2
50	15/12/2017	22/12/2017	Peak3
51	22/12/2017	29/12/2017	Peak4
52	29/12/2017	05/01/2018	Peak4



PO BOX 1287 PINETOWN 3600, 1 CROMPTON STREET PINETOWN 3610 TEL 031 7177593 FAX 7091680

### CREDIT CARD FACILITY

RESORT

---

UNIT & WEEK

---

CONTACT TELEPHONE NUMBER

---

CARD HOLDER'S INITIALS & SURNAME

---

CARD HOLDER'S ID NUMBER

---

TYPE OF CARD (VISA, MASTER, etc)

---

CARD NUMBER

EXPIRY DATE

AMOUNT

---

DATE YOU WISH YOUR CARD TO BE DEBITED

---

CLIENTS LIVING OUTSIDE SOUTH AFRICA - CREDIT CARD FACILITY ON STRAIGHT ONLY

CVC Number

Last 3 digits at the back of card

BUDGET (months)

12

24

36

48

CARD HOLDER SIGNATURE

DATE



P.O Box 1287 Pinetown 3600, 1 Crompton Street Pinetown 3610  
Tel: +27 31 717 7593 Fax: +27 31 709 1680  
Email Address: info@firstresorts.co.za

RESORT: \_\_\_\_\_ UNIT: \_\_\_\_\_ WEEK: \_\_\_\_\_

#### MEMBERS DETAILS

First Names: \_\_\_\_\_ Title: \_\_\_\_\_

Surname: \_\_\_\_\_ Gender: M ☐ F ☐

ID NO.:  Birthday:

Street Address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

City/Town: \_\_\_\_\_ Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_ Email Address: (self) \_\_\_\_\_

Email Address: (spouse) \_\_\_\_\_

Email Address: (office) \_\_\_\_\_

Tel: (Home) \_\_\_\_\_ Tel: (Work) \_\_\_\_\_

Tel: (Cell 1) \_\_\_\_\_ Tel: (Cell 2) \_\_\_\_\_

Preferred Language: \_\_\_\_\_ Marital Status: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

Only applicable to owners who need to update their details.

# CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED

REGISTRATION NO: 1973/012130/06

## NOMINATION FORM FOR DIRECTORSHIP

I/We the undersigned \_\_\_\_\_

the owner/s of module \_\_\_\_\_

in Unit \_\_\_\_\_ duly authorised hereto as a member of the above Company, hereby nominate the following persons for election as Directors of the Company at the Annual General Meeting of the Company to be held on **24 OCTOBER 2016** and their signatures signify acceptance.

### NAMES OF PROPOSED DIRECTORS

### SIGNATURES OF PROPOSED DIRECTORS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Current Directors are:

HM Adams  
AW Bosch  
PJM Botha  
J Meyer  
CA Wright

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2016

**MEMBER'S SIGNATURE** \_\_\_\_\_

### DOMICILIUM

CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED  
c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD  
1 CROMPTON STREET  
PINETOWN  
3610  
email: [estia@firstresorts.co.za](mailto:estia@firstresorts.co.za)

### POSTAL ADDRESS

P.O.BOX 1287  
PINETOWN  
3600  
Fax: 031 701 9964 OR  
086 2956099

Nomination Forms should be completed and returned to First Resorts and Hotel Management (Pty) Ltd, P O Box 1287, Pinetown, 3600 so as to arrive no later than **48 (FORTY EIGHT)** hours before the meeting.

Fax to: 031 701 9964/ 086 2956099 and email to [estia@firstresorts.co.za](mailto:estia@firstresorts.co.za) will also be acceptable.



# CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED

(Registration No.: 1973/012130/06)

## FORM OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy of his own choice to attend, speak and vote in his stead. A proxy need not be a member of the company.

I/ We \_\_\_\_\_

(Name in block capitals)

Unit No.: \_\_\_\_\_ Week No.: \_\_\_\_\_ being a shareholder/s of CHAKA'S ROCK CHALETS SHARE BLOCK PROPRIETARY LIMITED and entitled to \_\_\_\_\_ vote(s) do hereby appoint:

\_\_\_\_\_ (ID: No: \_\_\_\_\_)

of \_\_\_\_\_ or failing him :

\_\_\_\_\_ (ID: No: \_\_\_\_\_)

of \_\_\_\_\_

failing him, the Chairman of the meeting, as my/our proxy to attend, and on a poll, vote on my/our behalf at the annual general meeting to be held on **24 OCTOBER 2016**, or at any adjournment thereof, as follows:

(Indicate directions to proxy by way of a cross (X) in the space provided above.)  
Unless otherwise instructed, the proxy may vote as he thinks fit.

AGENDA ITEM		FOR	AGAINST	ABSTAIN
6.	To accept the minutes of the Annual General Meeting held on 29 October 2015			
9.	To accept the Annual Financial Statements in respect of the year ended 31 December 2015			
10.	To approve the auditors' remuneration for the year ended December 2015			
11.	To appoint auditors for the year ending December 2016 (on recommendation of the current Audit Committee)			
12.	Determine number of Directors			
13.	To elect the Directors: _____ _____ _____ _____			
14.	To appoint the Audit Committee			
15.	To accept the schedule of insurance cover			

16.	To accept the levy budget for the year ending 31 December 2017			
17.	Determine interest rate on arrear levies			
18.	SPECIAL RESOLUTION: Approval of Director's Remuneration for the year			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature

**DOMICILIUM**

CHAKA'S ROCK CHALETs SHARE BLOCK PROPRIETARY LIMITED  
c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD  
1 CROMPTON STREET  
PINETOWN  
3610

**POSTAL ADDRESS**

P.O.BOX 1287  
PINETOWN  
3600  
Fax: 031 701 9964/ 086 2956099  
email: [estia@firstresorts.co.za](mailto:estia@firstresorts.co.za)

**Note 1:** This proxy must be delivered or faxed to the Secretaries of the company not less than **FORTY EIGHT HOURS** before the time appointed for the meeting.

**Note 2:** A Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Member of the Company.

**Note 3:** This Proxy shall be binding upon the Member until such time as the Member personally withdraws it and it is limited to the voting on the special and ordinary resolutions referred to herein. Unless otherwise instructed, the proxy will vote as he thinks fit. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives) must be initialled by the signatory. Documentary evidence establishing the authority of a Person signing this form of proxy in a representative capacity (i.e. on behalf of a Company, Close Corporation or Trust) must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant Member from attending the meeting and speaking and voting in Person thereat, to the exclusion of any proxy appointed in terms thereof, should such Member wish to do so.

Emailed and facsimile copies of this proxy form must be duly verified before the commencement of the meeting to be eligible for acceptance. If any one of the requirements contained herein is not fulfilled, the proxy form and/or the nomination of the proxy will be null and void.

Proxy holders must present reasonably satisfactory identification before attending and participating in the meeting.