



KOWIE RIVER CHALETs



THE BODY CORPORATE OF KOWIE RIVER
(REG. NO: SS214/1989, SS95/1990 and SS293/1991)

AGM: 24 APRIL 2017
ANNUAL REPORT: DECEMBER 2016

Managed by First Group
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www.firstgroup-sa.co.za



BODY CORPORATE OF KOWIE RIVER

(Registration No. SS214/89, 95/90 and 293/91)
Trustees: HM Adams, R Bradfield & MJ O'Sullivan

3 April 2017

NOTICE TO MEMBERS

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN IN TERMS OF RULE 17 OF THE SECTIONAL TITLE SCHEMES
MANAGEMENT REGULATIONS, 2011 THAT THE ANNUAL GENERAL MEETING OF THE BODY
CORPORATE OF KOWIE RIVER WILL TAKE PLACE ON:

DATE: MONDAY, 24 APRIL 2017

VENUE: CHERRY PLACE CAFÉ AND CONFERENCE CENTRE
161 HEUGH ROAD
WALMER
PORT ELIZABETH
6070

TIME: 12H00


J Jordaan
Director
FIRST GROUP (PTY) LTD



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THE BODY CORPORATE OF KOWIE RIVER

(Registration No. SS214/89, 95/90 and 293/91)

TRUSTEES

Messrs H M Adams
R Bradfield
M J O'Sullivan

MANAGING AGENTS

First Group (Pty) Ltd
1 Crompton Street
PINETOWN
3610

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

P.O. Box 1287
PINETOWN
3600

Fax: (031) 7091680

AUDITORS

Moore Stephens CJL
5th Floor, the Spinnaker
Albert Terrace
DURBAN

THE BODY CORPORATE OF KOWIE RIVER

(REG. NO: SS214/1989, SS95/1990 and SS293/1991)

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For your information we enclose the following documents:

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FIRST RESORTS

360° Service

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Tel: 031 717 7593 | Fax: 031 701 9964
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3 April 2017

DEAR MEMBER

THE BODY CORPORATE OF KOWIE RIVER
ANNUAL GENERAL MEETING

I write to you on behalf of The Body Corporate of Kowie River.

I enclose the Notice of the Annual General Meeting to be held on Monday, 24 April 2017 at 12h00 at Cherry Place Café and Conference Centre, 161 Heugh Road, Walmer, Port Elizabeth.

Also enclosed are the proxy and nomination forms. Please take note that there have been various changes to the documentation and rules due to the promulgation of the Sectional Titles Schemes Management Act 2011 and its regulations.

In order to view the Sectional Titles Schemes Management Act 2011 and its regulations, kindly refer to http://www.gov.za/sites/www.gov.za/files/40335_rg10649_gon1231.pdf.

For any queries with regard to this meeting, feel free to contact Esti Alberts 031 717 7593 (EstiA@firstresorts.co.za).

Yours faithfully

J Jordaen
Director
FIRST GROUP (PTY) LTD

Directors: SE Lamont, JJ Jordaen, TT Spencer, JH Jordaen



THE BODY CORPORATE OF KOWIE RIVER

(Registration No. SS214/89, 95/90 and 293/91)

NOTICE is hereby given that the General Meeting of Members of The Body Corporate of Kowie River will be held on Monday, 24 April 2017 at 12h00 at Cherry Place Café and Conference Centre, 161 Heugh Road, Walmer, Port Elizabeth

AGENDA

1. Welcome and apologies
2. Confirmation of proxies, nominees and other persons representing members and issue of voting cards
3. Determination of quorum
4. Election of a person to chair the meeting, if necessary
5. Presentation of proof of Notice of meeting
6. Approval of Agenda [Resolution One]
7. Approval of the minutes of the previous general meeting held on 21 April 2016 [Resolution Two]
8. Matters arising, if any [Resolution Three]
9. Consideration of the Trustees' Report
10. Insurance replacement values [Resolution Four]
Approve the schedules of insurance replacement values referred to in Rule 23(3), with or without amendment.
11. Insurance [Resolution Five]
Determine the extent of the insurance cover in terms of Rules 23(6), (7) and (8)
12. Budget for the year ending 31 December 2017 [Resolution Six]
To approve the budget for the administrative and reserve funds for the next financial year.
13. Presentation and approval of 10-year Maintenance and Replacement Plan [Resolution Seven]
14. Financial Statements
Consider the annual audited financial statements for the year ended 31 December 2016
15. Auditors [Resolution Eight]
To appoint an auditor to audit the annual financial statements, and to approve the remuneration of the Auditor for the past year.
16. Number of Trustees [Resolution Nine]
Determine the number of trustees to be elected to serve during the next financial year.
17. Election of Trustees [Resolution Ten]
Trustees resign each year and have to be reappointed at each AGM
18. Scheme Rules
There have been no amendments to the scheme's rules and none have been lodged during the current financial year, as adopted by the body corporate under Section 10 of the Act.
19. To give directions or impose restrictions referred to in Section 7(1) of the Act [Resolution Eleven]
20. The financial year end of the Body Corporate [Resolution Twelve]
In terms of the new Act the financial year runs from the first day of October to the last day of September of each year unless resolved otherwise by the Body Corporate in general meeting
21. General
Deal with any new or further business at the discretion of the Chairman
22. Dissolve the meeting


BY ORDER OF THE BOARD

First Group (Pty) Ltd

Per: J Jordaan

Pinetown, 3 April 2017

BODY CORPORATE OF KOWIE RIVER

(Sectional Title Registration No SS214/1989, SS95/1990 SS293/1991)

MINUTES OF THE ANNUAL GENERAL MEETING

**HELD AT CHERRY PLACE CAFÉ & CONFERENCE CENTRE, 161 HEUGH ROAD, WALMER, PORT ELIZABETH,
ON THURSDAY, 21 APRIL 2016 AT 11H00**

PRESENT

Mr R M Bradfield In the Chair
Mr G E Miller Alternate to Mr H M Adams

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

IN ATTENDANCE

Representing First Resorts and Hotel Management (Pty) Ltd

Mr G E Miller

1. WELCOME

Mr Bradfield 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. PROXIES/APOLOGIES

Apologies were received from Mr M J O'Sullivan and Mr H M Adams who had appointed Mr G E Miller as his alternate.

The Managing Agent tabled four (4) proxies in favour of Mr H M Adams, totalling 70.14 % of the participation quota, three (3) proxies in favour of Mr M R Bradfield, totalling 0.84% of the participation quota and one (1) proxy in favour of the Chairman, totalling 0.12% of the participation quota. The proxies had been received within the prescribed time.

4. TO ESTABLISH A QUORUM

A quorum having been established, Mr Bradfield declared the meeting properly constituted.

5. APPOINTMENT OF CHAIRMAN

Mr R Bradfield was appointed as Chairman of the meeting.

6. PRESENTATION OF MINUTES OF ANNUAL GENERAL MEETING HELD ON 28 APRIL 2015

Ordinary Resolution No. 1

Resolved that:

The Minutes of the Annual General Meeting of the Body Corporate held on 28 April 2015 be, and are hereby, accepted.

7. CHAIRMAN'S REPORT

The report was taken as read.

8. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2015, IN TERMS OF MANAGEMENT RULES 37 AND 38 OF THE ACT

Ordinary Resolution No. 2

Resolved that:

The Audited Financial Statements, together with the reports of the Trustees and the independent Auditors, Moore Stephens CJL in respect of the year ended 31 December 2015 be, and are hereby, accepted.

9. APPROVAL OF AUDITOR'S REMUNERATION

Ordinary Resolution No. 3

Resolved that:

Payment of the Auditor's remuneration be, and is hereby, approved.

10. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2016

Ordinary Resolution No. 4

Resolved that:

Moore Stephens CJL be appointed to serve as the Auditors of the Body Corporate for the financial year ending 31 December 2016.

11. DETERMINE THE NUMBER OF TRUSTEES FOR THE ENSUING YEAR

Ordinary Resolution No. 5

Resolved that

Three (3) Trustees be elected to serve on the Board of the Body Corporate.

12. ELECTION OF TRUSTEES

Ordinary Resolution No. 6

Resolved that:

The election of Messrs H M Adams, R M Bradfield and M J O'Sullivan as Trustees of the Body Corporate be passed on a single resolution.

13. PRESENTATION AND ACCEPTANCE OF INSURANCE VALUES, SUBJECT TO ANY AMENDMENT AS REFERRED TO IN MANAGEMENT RULE 29 (1) (c) OF THE ACT

Ordinary Resolution No 7

Resolved that:

The Schedule of Insurance Values be accepted without amendment.

14. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE (LEVY BUDGET) FOR THE YEAR ENDING 31 DECEMBER 2016 AS REFERRED TO IN MANAGEMENT RULE 36 OF THE ACT

Ordinary Resolution No 8

Resolved that

The estimate of income and expenditure for the year ending 31 December 2016 be accepted.

15. TO GIVE DIRECTIONS OR IMPOSE RESTRICTIONS AS REFERRED TO IN MANAGEMENT RULE 39 (1) OF THE ACT

After discussion it was unanimously agreed that no directions need be given or restrictions imposed as referred to in the Act.

16. TO DETERMINE THE *DOMICILIUM CITANDI ET EXECUTANDI* OF THE BODY CORPORATE

It was unanimously resolved to fix the *Domicilium citandi et executandi* at the address of the Managing Agent which is:

1 CROMPTON STREET
PINETOWN
3610

P O BOX 1287
PINETOWN
3600

17. APPROVAL OF TRUSTEES' REMUNERATION

In terms of *Section 8(10)* of the Management Regulations, the remuneration of trustees who are owners must be approved by a Special Resolution of Members.

Special Resolution No. 1

Resolved that:

The fees paid to the following Trustees who are owners and members of the body corporate in respect of services rendered during the year ended 31 December 2015, be, and are hereby, approved:

Mr R Bradfield.

18. TO CONFIRM ANY AMENDMENT, SUBSTITUTION, ADDITION OR REPEAL OF THE RULES AS CONTEMPLATED IN SECTION 35(5) OF THE ACT

The Managing Agent confirmed that there had been no amendment to the Rules during the year.

19. ANY ITEMS THAT MAY BE DISCUSSED AT THE ANNUAL GENERAL MEETING AT THE DISCRETION OF THE CHAIRMAN

There were no items for discussion.

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

Read and confirmed this _____ day of _____

CHAIRMAN

THE BODY CORPORATE OF KOWIE RIVER CHALETs

SS NOS: SS214/1989, SS95/1990 & SS293/1991

**TRUSTEES' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

Dear Members

It is my pleasure to present this report on the activities at Kowie River Chalets in respect of the past financial year.

The new reception area has been completed and the management and staff are receiving favourable comments from visitors. Occupancy of the chalets in respect of the calendar year 2016 reflected an improvement over figures recorded in the prior calendar year.

The Resort continues to receive high scores, and is currently scoring Gold Crown with RCI. Kowie River Chalets received a hospitality score of 8.7 from Bookings.com and the TripAdvisor score is very good as well. Guest Comment Cards consistently reflect "Excellent" and "Very Good" comments.

Mindful of the fact that the chalets are so close to the sea, continued maintenance is required, and management have an annual programme in place to ensure that this vital item is given the attention it requires.

The reserve fund in the financial statements decreased from R1, 7 million to R1, 5 million. This was due to the construction of the new reception area. There was a pleasing increase in the accumulated surplus, from R741, 690 in 2015 to R1, 044,488 in 2016.

Currently the maintenance programme consists of:

- Maintaining the wooden walkways on a regular basis;
- Cleaning and varnishing the houses;
- Making sure that all the wooden benches are varnished and in a good condition;
- All the braai areas have been upgraded.
- All units are currently being white washed to get the "beach" feeling.
- All interleading doors have been painted white.
- All the exterior door locks have been replaced where necessary.
- New umbrellas have been bought for the swimming pool area.

I would like to express my appreciation to my fellow Trustees, Reuben Bradfield and Mike O'Sullivan, for their continual commitment to the affairs of the Resort.

Appreciation is also extended to our Managing Agents for their ongoing professional manner in which they perform their duties on behalf of the Resort.

To our on-site management and staff, special thanks for ensuring that a holiday at the Resort is a memorable experience.

Sincerely



**H M Adams
Chairman**

INSURED: KOWIE RIVER CHALETs
BROKERS: CURNOW GARRUN
INSURER: HOLLARD INSURANCE COMPANY
POLICY NO: DBNEHATAP00049808
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
BUILDINGS COMBINED	34,608,728
THEFT	10,000
PUBLIC LIABILITY	1,050,000
EMPLOYERS LIABILITY	1,000,000
COMPUTER/ELECTRONIC EQUIPMENT	121,105
SASRIA (BUILDINGS, CONTENTS & ELECTRONIC EQUIPMENT)	41,620,765
TOTAL	78,410,598

INSURER: NEW NATIONAL
POLICY NO: DBN9405COM
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
PUBLIC LIABILITY - FRONTLINE TOP-UP	20,000,000

INSURER: CAMARQUE UNDERWRITING MANAGERS
POLICY NO: FIRST032/0013
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
PUBLIC LIABILITY - CARMARQUE TOP - UP	50,000,000

INSURER: CAMARQUE UNDERWRITING MANAGERS
POLICY NO: s03282 10
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
EXCESS LAYER LIABILITY - CAMARQUE	100,000,000

INSURER: GENLIB
POLICY NO: FIRST032/0012
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
DIRECTORS, OFFICERS & TRUSTEES LIABILITY - R Bradfield	10,000,000
DIRECTORS, OFFICERS & TRUSTEES LIABILITY - HM Adams	10,000,000
DIRECTORS, OFFICERS & TRUSTEES LIABILITY - J Jordaan	10,000,000
DIRECTORS, OFFICERS & TRUSTEES LIABILITY - M O' Sullivan	10,000,000

INSURER: GUARDRISK INSURANCE COMPANY
POLICY NO: FIRST032/0011
PERIOD OR COVER: 01 JANUARY 2017 TO 01 JANUARY 2018

DETAILS	
GROUP PERSONAL ACCIDENT	1,000,000

Fidelity insurance in terms of STSMA Act 23(7)	Annual premium R4,638.23	2,463,873
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RESORT BUDGET
RESORT: KOWIE RIVER BODY CORPORATE
(SECTIONAL TITLE NO. 293/1991)
YEAR ENDING: 31 DECEMBER 2017

Number of Timeshare Units:	15
Number of Timeshare Weeks:	780
- Flexi Club	640
- Other Clubs	38
- Owners	102
Managers unit	2

Schedule		December-17				December-16			December-16
		COMMON	USE SERVICE	BUDGET 2017 Rands	Budget v Proj % Increase	PRIOR BUDGET 2016			Actual Audited
						Rands	% of Expend	Per Week	
LEVY INCOME	A	1,234,522	2,880,550	4,115,072	9%	3,775,133	116	4840	3,847,846
SUNDRY INCOME	B	10,429	50,606	61,035	8%	76,410	2	98	72,580
TOTAL INCOME		1,244,950	2,931,156	4,176,107	9%	3,851,543	118	4938	3,920,426
EXPENDITURE		1,100,890	2,481,709	3,582,599	11%	3,250,607	100	4167	2,858,302
Administration	C	148,973	322,692	471,664	7%	340,883	10	437	362,081
On Site expenses	D	74,229	316,882	391,111	10%	374,611	12	480	315,402
Property expenses	E	688,364	493,538	1,181,902	11%	1,118,010	34	1433	890,339
Management fee	F	35,225	140,901	176,126	8%	163,080	5	209	163,080
Head office accounting and administration recoveries	F	49,746	198,984	248,729	8%	230,305	7	295	230,304
Staffing	G	104,353	1,008,713	1,113,066	16%	1,023,718	31	1312	897,096
NET INCOME BEFORE		144,060	449,447	593,507	-3%	600,937	18	770	1,062,124
Provision for Doubtful Debt	H	-	30,000	30,000	-40%	50,000	2	64	17,636
Taxation	J	618	2,472	3,090	69%	7,395			
Reserve Fund	I	143,442	416,976	560,418	0%	543,542	17	697	1,044,488
Surplus after		-0	(0)	0	0%	-0	0	9	0
Opening balance		435,179	1,015,417	1,450,595					1,652,530
Transfer to(from) reserves		143,442	416,976	560,418					1,044,488
		578,621	1,432,393	2,011,013					2,697,018
Expenditure - refurbishment reserve		-	(581,579)	(581,579)					(1,246,423)
Expenditure - 10 year plan		(12,000)	-	(12,000)					
Closing balance		566,621	850,813	1,417,433					1,450,595
STSMA Section 3 Regulation 2 requirement		46%	30%						

NOTES & ASSUMPTIONS

1. Kowie River is Vat Registered
2. Kowie River remains a time share scheme.
3. Proposed Levy Increase

9%

RESORT BUDGET
RESORT: KOWIE RIVER BODY CORPORATE
(SECTIONAL TITLE NO. 293/1991)
YEAR ENDING: 31 DECEMBER 2017

Number of Timeshare Units:	15
Number of Timeshare Weeks:	780
- Flexi Club	640
- Other Clubs	38
- Owners	102

Managers unit

SCHEDULE "A" - LEVY INCOME	DETAILS Note Number	COMMON	SERVICE	December-17 BUDGET 2017		December-16 PRIOR BUDGET 2016			December-16 Actual Audited
				Rands	% Increase	Rands	% of Expend	Per Week	
Levies - Timeshare	1	1 234 522	2 880 550	4 115 072	9%	3 775 133	116	4840	3 847 846
		1 234 522	2 880 550	4 115 072	9%	3 775 133	116	4840	3 847 846
SCHEDULE "B" - SUNDRY INCOME									
Interest Earned	2	10 429	24 334	34 762	8%	45 425	1	58	48981
Sundry	3	-	26 272	26 272	8%	30 986	1	40	23599
		10 429	50 606	61 035	8%	76 410	2	98	72 580
SCHEDULE "C" - ADMINISTRATION									
Advertising and Signage	1	7 700	69 995	77 695	8%	72 500	0	0	47 285
AGM Costs	2	11 214	-	11 214	6%	11 947	0	15	6 027
Audit fees	3	35 569	-	35 569	8%	34 074	1	44	34 183
Bank and Credit card Charges	4	5 457	21 826	27 283	8%	14 991	0	19	22 838
First Exchange Fee	5	-	26 108	26 108	6%	24 630	1	32	24 632
Interest & Penalties	6	-	330	330	10%	-	0	0	312
Computer Expenses	7	-	155 704	155 704	43%	92 309	3	118	46 515
Consultants Fees and Software Licences	8	736	6 244	6 980	-51%	3 885	0	5	7 348
Legal Fees	9	30 000	-	30 000	-51%	3 314	0	4	85 689
Postage & Courier & Storage	10	8 530	-	8 530	10%	425	0	1	10 318
Printing & Stationery	11	-	31 766	31 766	7%	34 990	1	45	28 382
Subscriptions	12	-	9 069	9 069	12%	9 769	0	13	6 371
Travelling & Meetings	13	49 768	1 650	51 418	8%	38 048	1	49	42 181
		148 973	322 692	471 664	7%	340 883	10	437	362 081

RESORT BUDGET
RESORT: KOWIE RIVER BODY CORPORATE
(SECTIONAL TITLE NO. 293/1991)
YEAR ENDING: 31 DECEMBER 2017

Number of Timeshare Units:	15
Number of Timeshare Weeks:	780
- <i>Flexi Club</i>	640
- <i>Other Clubs</i>	38
- <i>Owners</i>	102

Managers unit

SCHEDULE "D" - ON SITE EXPENSES	DETAILS Note Number	COMMON	SERVICE	December-17		December-16			December-16
				BUDGET 2017		PRIOR BUDGET 2016			Audited
				Rands	% Increase	Rands	% of Expend	Per Week	
Cleaning Materials	14	6 828	27 311	34 139	8%	32 704	1	42	30 952
Guest Entertainment	15	-	66 247	66 247	10%	58 895	2	76	41 467
Laundry Expenses	16	-	79 654	79 654	10%	87 740	3	112	56 610
DSTV Expenses	17	-	66 309	66 309	8%	61 413	2	79	61 398
Pest Control	18	2 296	9 184	11 480	8%	12 754	0	16	7 868
Service Expenses	19	-	63 057	63 057	11%	59 538	2	76	54 743
Telephone Expenses	20	65 105	1 539	66 644	10%	58 194	2	75	60 357
T V Licences	21	-	3 581	3 581	6%	3 374	0	4	2 007
		74 229	316 882	391 111	10%	374 611	12	480	315 402
SCHEDULE "E" - PROPERTY COSTS									
Electricity	22	58 169	232 678	290 847	13%	259 096	8	332	233 321
Insurance	23	73 199	11 253	84 451	10%	78 198	2	100	76 826
Rates/refuse & Sewerage:	24	184 433	-	184 433	10%	169 237	5	217	164 673
Repairs & Maintenance	25	192 513	188 779	381 292	10%	389 308	12	499	210 344
Security	26	164 844	-	164 844	10%	150 555	5	193	145 658
Water	27	15 207	60 828	76 035	10%	71 616	2	92	59 517
		688 364	493 538	1 181 902	11%	1 118 010	34	1433	890 339
SCHEDULE "F" - MANAGEMENT FEE									
Managing agents fee	28	35 225	140 901	176 126	8%	163 080	5	209	163080
Head office accounting and administration recoveries	28.1	49 746	198 984	248 729	8%	230 305	7	295	230304
		84 971	339 885	424 856	8%	393 385	12	504	393 384

RESORT BUDGET
RESORT: KOWIE RIVER BODY CORPORATE
(SECTIONAL TITLE NO. 293/1991)
YEAR ENDING: 31 DECEMBER 2017

Number of Timeshare Units:	15
Number of Timeshare Weeks:	780
- Flexi Club	640
- Other Clubs	38
- Owners	102

Managers unit

SCHEDULE "G" - STAFFING	DETAILS Note Number	COMMON	SERVICE	December-17		December-16			December-16
				BUDGET 2017 Rands	% Increase	Rands	% of Expend	Per Week	
Manageress	29	-	168 847	168 847	8%	156 339	5	200	153 145
Maintenance	29	104 353	104 353	208 706	8%	193 239	6	248	178 371
Housekeepers	29	-	338 597	338 597	8%	313 499	10	402	292 590
Reception	29	-	102 493	102 493	8%	94 899	3	122	88 443
Entertainment co-ordinator	29	-	103 450	103 450	186%	95 794	3	123	26 128
Salary burden	29	-	58 802	58 802	17%	54 570	2	70	50 810
Tax Incentive	29	-	-	0	-100%	0	0	0	(5 940)
Workmens Compensation	29	-	3 275	3 275	8%	3 292	0	4	3 032
Casuals	29	-	14 126	14 126	8%	11 504	0	15	17 090
Leave pay provision	29	-	39 623	39 623	8%	36 688	1	47	-
Staff Expenses	30	-	51 362	51 362	8%	42 273	1	54	53 863
Uniforms	31	-	23 784	23 784	10%	21 622	1	28	39 564
		104 353	1 008 713	1 113 066	16%	1 023 718	31	1312	897 096
SCHEDULE "H" - DOUBTFUL DEBT									
Provision for Doubtful Bad Debts	32	-	30 000	30 000	-40%	50 000	2	64	17 636
		-	30 000	30 000	-40%	50 000	2	64	17 636
SCHEDULE "I" - RESERVE FUND									
Refurbishment Reserve	33	112 084	448 334	560 418	0%	543 542	17	697	1 044 488
		112 084	448 334	560 418	0%	543 542	17	697	1 044 488

RESORT BUDGET
 RESORT: KOWIE RIVER BODY CORPORATE
 (SECTIONAL TITLE NO. 293/1991)
 YEAR ENDING: 31 DECEMBER 2017

Levy increase : 9%

LEVY CALCULATIONS				WEEKLY			WEEKLY			PER ANNUM			PER ANNUM		
No of units	TYPE OF UNIT	PQ Rate%	No of weeks	EXCL	EXCL	EXCL	INCL	INCL	INCL	EXCL	EXCL	EXCL	INCL	INCL	INCL
				COMMON 2017	SERVICE 2017	TOTAL 2017	COMMON 2017	SERVICE 2017	TOTAL 2017	COMMON 2017	SERVICE 2017	TOAL 2017	COMMON 2017	SERVICE 2017	TOTAL
1	Unit 15 - 136 sqm	6.1399	52	R 1 553	R 3 624	R 5 177	R 1 770	R 4 131	R 5 901	R 80 757	R 188 432	R 269 189	R 92 063	R 214 813	R 306 876
1	Unit 16 - 136 sqm	6.1399	52	R 1 553	R 3 624	R 5 177	R 1 770	R 4 131	R 5 901	R 80 757	R 188 432	R 269 189	R 92 063	R 214 813	R 306 876
1	Unit 11 - 137 sqm	6.1851	52	R 1 564	R 3 650	R 5 215	R 1 783	R 4 161	R 5 945	R 81 351	R 189 820	R 271 171	R 92 740	R 216 394	R 309 135
1	Unit 13 137 sqm	6.1851	52	R 1 564	R 3 650	R 5 215	R 1 783	R 4 161	R 5 945	R 81 351	R 189 820	R 271 171	R 92 740	R 216 394	R 309 135
1	Unit 14 - 137 sqm	6.1851	52	R 1 564	R 3 650	R 5 215	R 1 783	R 4 161	R 5 945	R 81 351	R 189 820	R 271 171	R 92 740	R 216 394	R 309 135
1	Unit 3 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 4 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 7 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 8 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 9 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 10 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 12 - 138 sqm	6.2303	52	R 1 576	R 3 677	R 5 253	R 1 797	R 4 192	R 5 988	R 81 946	R 191 207	R 273 153	R 93 418	R 217 976	R 311 394
1	Unit 2 - 139 sqm	6.2753	52	R 1 587	R 3 704	R 5 291	R 1 809	R 4 222	R 6 032	R 82 538	R 192 588	R 275 126	R 94 093	R 219 550	R 313 643
1	Unit 5 - 145 sqm	6.5462	52	R 1 656	R 3 863	R 5 519	R 1 888	R 4 404	R 6 292	R 86 101	R 200 902	R 287 003	R 98 155	R 229 028	R 327 183
1	Unit 6 - 146 sqm	6.5914	52	R 1 667	R 3 890	R 5 557	R 1 901	R 4 435	R 6 335	R 86 695	R 202 289	R 288 984	R 98 833	R 230 609	R 329 442
1	Unit A3 - 136 sqm - managers unit	6.1399	0												
16	15 units X 52 T/Share			1 234 522	2 880 550	4 115 072	R 1 407 355	R 3 283 827	R 4 691 182	R 1 234 522	R 2 880 550	R 4 115 072	R 1 407 355	R 3 283 827	R 4 691 182
		100.0000	780												
	Less unit A3 managers flat	6.1399													
	Total timeshare PQ sqm	93.8601	780	30%	70%	100%									

THE BODY CORPORATE OF KOWIE RIVER CHALETS

10 YEAR MAINTENANCE AND REPLACEMENT PLAN

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Ablution areas / Games Area	R -	R 40,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Art works	R -	R -	R -	R -	R 59,000.00	R -	R -	R -	R -	R -	R -
Awnings and canopies	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Balustrades	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Wooden Decks	R -	R 15,000.00	R -	R 15,000.00	R -	R 15,000.00	R -	R 15,000.00	R -	R 15,000.00	R -
Wooden Walkways	R -	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00	R 8,000.00
Braai area	R -	R 7,452.00	R 5,704.00	R 6,072.00	R 6,440.00	R -	R -	R -	R -	R -	R -
Doors & locks	R -	R 4,790.00	R 5,210.00	R 5,380.00	R 5,640.00	R 5,790.00	R 6,086.00	R -	R -	R -	R -
Entertainment equipment and areas	R -	R 4,320.00	R 5,000.00	R 5,000.00	R 5,600.00	R 5,800.00	R 6,127.00	R 6,198.00	R 7,123.00	R 7,234.00	R 7,312.00
Entrance/driveway gates	R -		R -	R -	R -	R -	R -	R -	R -	R -	R -
Fences and walls	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Fire Equipment	R -	R 13,392.00	R 14,463.00	R 15,620.00	R 16,870.00	R 18,219.00	R 19,677.00	R 21,251.00	R 22,951.00	R 24,787.00	R 26,770.00
Flagpoles and other	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Roof waterproofing & Cleaning	R -	R 10,750.00	R -	R -	R 13,270.00	R -	R -	R 14,864.00	R -	R -	R 15,267.00
Furniture	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Parking Cover	R -	R -	R -	R 12,875.00	R -	R -	R -	R 13,759.00	R -	R -	R -
Garden furniture & umbrellas	R -	R -	R 6,423.00	R -	R -	R 10,208.00	R -	R -	R -	R -	R -
Gardening Equipment	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Gardens & garden furniture	R -	R -	R 13,786.00	R -	R -	R -	R -	R 30,157.00	R -	R -	R -
Generator	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Gutters and Down pipes	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Jacuzzi / Tiles / Blinds	R -	R 32,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Reuben's Bar	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Laundry equipment	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Exterior doors and security gates	R -	R 10,643.00	R -	R 11,342.00	R -	R 11,654.00	R -	R 11,972.00	R -	R -	R -
Lighting	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Office furniture and electronic equipment	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Open parking areas & coverings	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Paving	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Pillars	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Plants	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Plumbing and drainage	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Reception computer and Printers	R -	R 9,753.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Reception fixtures and fittings	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Roads	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Roof Covering	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Roofs Flashing	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Roofs Ridging	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Security gates and burglar bars	R -	R 6,641.00	R -	R 6,875.00	R -	R 7,124.00	R -	R 7,254.00	R -	R 7,317.00	R -
Bathroom ceilings - down lights	R 12,000.00	R 12,000.00	R 14,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Signage	R -	R -	R -	R 7,865.00	R -	R -	R -	R 8,764.00	R -	R -	R -
Soffits and ceilings	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Stairs	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Surveillance and equipment	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Swimming pool & motors	R -	R -	R 120,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Tiling	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Walkways	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Walls and plasterwork	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Water Tanks and Pumps and Filtration	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
WI-FI and Telephones	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Window frames and glass	R -	R 37,800.00	R -	R -	R -	R 42,000.00	R -	R -	R -	R -	R -
Woodwork, bargeboards, fascias	R -	R -	R 21,600.00	R -	R -	R -	R 24,376.00	R -	R -	R -	R -
TOTAL	R 12,000.00	R 212,541.00	R 214,186.00	R 94,029.00	R 114,820.00	R 123,795.00	R 64,266.00	R 137,219.00	R 38,074.00	R 62,338.00	R 57,349.00

The Body Corporate of Kowie River Chalets
(Registration number SS214/89, 95/90, 293/91)
Annual Financial Statements
for the year ended 31 December 2016

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Index

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

Contents	Page
Trustees' Responsibilities and Approval	2
Independent Auditor's Report	3 - 4
Trustees' Report	5
Statement of Financial Position	6
Levy Statement	7
Cash Flow Statement	8
Accounting Policies	9 - 10
Notes to the Annual Financial Statements	11 - 13
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Levy Statement	14 - 15

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Trustees' Responsibilities and Approval

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related financial information. The auditor is responsible for reporting on the fair presentation of the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the annual financial statements and in the manner required by the Sectional Titles Act No. 95 of 1986.

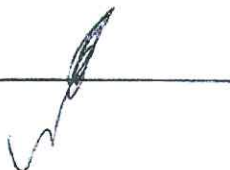
The trustees are also responsible for the body corporate's system of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The trustees have reviewed the body corporate's cash flow forecast for the year to 31 December 2017 and, in the light of this review and the current financial position, they are satisfied that the body corporate 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 body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditor and the auditor's report is presented on pages 3 - 4.

The annual financial statements and supplementary information set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the trustees on 31 March 2017 and signed on their behalf by.

H M Adams



R Bradfield



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Independent Auditor's Report**To the trustees of The Body Corporate of Kowie River Chalets****Opinion**

We have audited the annual financial statements of The Body Corporate of Kowie River Chalets set out on pages 5 to 13, which comprise the statement of financial position as at 31 December 2016, and the levy statement, the cash flow statement for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of The Body Corporate of Kowie River Chalets for the year ended 31 December 2016 are prepared, in all material respects, in accordance with basis of accounting as set out in Note 1 to the annual financial statements and the requirements of the Sectional Titles Act No. 95 of 1986.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the annual financial statements section of our report. We are independent of the body corporate in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the body corporate's own accounting policies to satisfy the financial information needs of the trustees. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the trustees' report and the detailed levy statement, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Moore Stephens C/JL Partnership | Trading as Moore Stephens. Registered Auditors - Practice Number 925624
Partners: DT Belling, D Haryparsad, HD Hillermann, CF Reid, L Sarabjit, SRN Templar, TL Wright.

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 trustees for the annual financial statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the annual financial statements and the requirements of the Sectional Titles Act No. 95 of 1986, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the body corporate'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 trustees either intend to liquidate the body corporate or to cease operations, or have no realistic alternative but to do so.

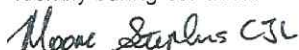
Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 body corporate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 body corporate'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 annual 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 body corporate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.



Moore Stephens C.J.L.
Chartered Accountants (SA)
Registered Auditor

Per: Devek Harryparsad CA(SA), RA
Partner

31 March 2017
Durban

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(Registration number SS214/89, 95/90, 293/91)

Trustees' Report

1. Review of activities

In respect of this property, the body corporate operates a timesharing scheme.

Before transfer to the future reserve fund, the levy surplus of the body corporate amounts to R1 044 488 (2015: R741 690).

2. Events after the reporting period

3. Contributions

4. Trustees

H M Adams
R Bradfield
M J O'Sullivan

Postal address

Business address

1 Crompton Street
Pinetown
3610

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position

	Note	2016 R	2015 R
Assets			
Current Assets			
Inventories		9 784	10 031
Inter-entity current account	2	16 377	4 666
Levies receivable	3	82 409	4 958
Other receivables		119 577	55 988
Current tax receivable		45 632	43 824
Cash and cash equivalents	4	1 505 386	1 853 062
		1 779 165	1 972 529
Total Assets		1 779 165	1 972 529
Funds and Liabilities			
Funds			
Future reserve funds	5	1 450 595	1 652 530
Liabilities			
Current Liabilities			
Other payables	6	222 500	204 317
Levies received in advance		106 070	115 682
		328 570	319 999
Total Funds and Liabilities		1 779 165	1 972 529

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Levy Statement

	Note	2016 R	2015 R
Levies raised	7	3 847 846	3 431 863
Other income		23 599	35 641
Operating expenses		(2 875 626)	(2 780 077)
Levy surplus before interest and taxation		995 819	687 427
Interest received		48 981	56 789
Interest paid		(312)	(480)
Levy surplus before taxation		1 044 488	743 736
Taxation	8	-	(2 046)
Levy surplus transferred to future reserve fund		1 044 488	741 690

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Cash Flow Statement

	Note	2016 R	2015 R
Cash flows from operating activities			
Cash receipts from customers		4 245 504	3 433 134
Cash paid to suppliers and employees		(4 628 330)	(3 150 072)
Cash (utilised in) / generated from operations	10	(382 826)	283 062
Interest received		48 981	56 789
Interest paid		(312)	(480)
Tax paid	11	(1 808)	(5 157)
Net cash (utilised in) / generated from operating activities		(335 965)	334 214
Cash flows from investing activities			
Movement in inter-entity current account		(11 711)	(4 666)
Net cash utilised in investing activities		(11 711)	(4 666)
Total cash movement for the year		(347 676)	329 548
Cash at the beginning of the year		1 853 062	1 523 514
Total cash at end of the year	4	1 505 386	1 853 062

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Presentation of annual financial statements

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 in accordance with generally accepted accounting practices applicable to bodies corporate established in terms of the manner required by The Sectional Titles Act No. 95 of 1986, and in the manner required by the rules of the body corporate and incorporate the following principal accounting policies. 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 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.

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 body corporate 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 was made.

1.2 Financial instruments

Levies in arrears and other receivables

Levies in arrears and other receivables are carried at amortised cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in values. These are initially and subsequently recorded at fair value.

Accounts payable

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

1.3 Tax

Current tax assets and liabilities

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

The body corporate is taxed in terms of Section 10(1)(e) of the Income Tax Act No. 58 of 1962.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 Revenue and interest

Revenue comprises levies raised, is measured at the fair value of the consideration received or receivable and is recognised on the accrual basis net of value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

1.6 Future reserve fund

A reserve for the replacement of necessary improvements to assets is created by transferring sums from the levy statement to the reserve. The amount of the expected future replacements or improvements is determined by the trustees. Replacement of an addition to property, plant and equipment, as well as non-routine maintenance of property, plant and equipment is funded from this reserve.

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
2. Inter-entity current account		
Port Alfred Sands Share Block Limited	16 377	4 666
The current account is unsecured, interest free (2015: interest free) and is repayable on a monthly basis		
3. Levies receivable		
Analysis of levies receivable is as follows:		
Levy receivable	116 147	45 997
Provision for bad debts	(33 678)	(40 979)
Provision for debtors interest	(60)	(60)
	82 409	4 958
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	777 627	617 535
Short-term deposits	727 759	1 235 527
	1 505 386	1 853 062
5. Funds		
Future reserve fund		
Balance beginning of the year	1 652 530	1 173 034
- Transfer to future reserve fund	1 044 488	741 690
- Actual expenditure charged against future reserve fund	(240 992)	(177 309)
- Upgrade project expenditure charged against future reserve fund	(1 005 431)	(84 885)
	1 450 595	1 652 530
6. Other payables		
Accounts payable	211 313	197 173
Sundry payables	11 187	7 144
	222 500	204 317
7. Levies raised		
Normal levies	3 847 846	3 431 863
8. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	-	2 046

In terms of Section 10(1)(e) of the Income Tax Act No.58 of 1962, the income earned by the body corporate is exempt from taxation as far as levies from members are concerned. The first R50 000 of non-levy income is also exempt. Taxation is payable on interest received and other non-levy income after the deduction of a pro-rata portion of certain administrative expenses.

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
9. Auditor's remuneration		
Fees	29 408	26 500
Adjustment for previous year	-	(700)
Other services	4 775	4 700
	34 183	30 500
10. Cash (utilised in) / generated from operations		
Levy surplus before taxation	1 044 488	743 736
Adjustments for:		
Interest received	(48 981)	(56 789)
Finance costs	312	480
Actual expenditure charged against future reserve fund	(1 246 423)	(262 194)
Changes in working capital:		
Inventories	247	1 239
Levies receivable	(77 451)	12 222
Other receivables	(63 589)	(19 314)
Other payables	18 183	33 510
Levies received in advance	(9 612)	(169 828)
	(382 826)	283 062
11. Tax paid		
Balance at beginning of the year	43 824	40 713
Current tax for the year recognised in surplus or deficit	-	(2 046)
Balance at end of the year	(45 632)	(43 824)
	(1 808)	(5 157)

12. Insurance

The assets of the body corporate are covered in terms of a policy issued by Hollard Insurance Company. The policy in force at 31 December 2016 expired on 1 January 2017 and was renewed on that date.

Public liability is covered in terms of policies issued by Camargue Underwriting Managers and New National Insurance Company. The policies in force at 31 December 2016 expired on the 1 January 2017 and were renewed on that date.

Employees liability is covered in terms of the policies issued by Guardrisk and Genlib. The policies in force at 31 December 2016 expired on the 1 January 2017 and were renewed on that date.

The Body Corporate of Kowie River Chalets

(Registration number SS214/89, 95/90, 293/91)

Annual Financial Statements for the year ended 31 December 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
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13. Related parties

Relationships

Entities with common management

Port Alfred Sands Share Block
First Resorts and Hotel Management Proprietary Limited
Club Technology Proprietary Limited
Club Leisure Management Proprietary Limited
Club Leisure Travel Proprietary Limited

Related party balances

Inter-entity current account owing from related party

Port Alfred Sands Share Block Limited	16 377	4 666
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Amounts included in accounts payable regarding related parties

First Resorts and Hotel Management Proprietary Limited	6 097	34 103
Club Technology Proprietary Limited	3 425	4 403
Club Leisure Management Proprietary Limited	6 099	4 231
Club Leisure Travel Proprietary Limited	760	-

Related party transactions

Management fees paid to related party

First Resorts and Hotel Management Proprietary Limited	163 080	150 960
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Computer expenses paid to related party

Club Technology Proprietary Limited	35 449	28 573
Club Leisure Management Proprietary Limited	7 724	13 421

Advertising expenses paid to related party

Club Leisure Management Proprietary Limited	30 000	20 000
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Postage expenses paid to related party

Club Leisure Management Proprietary Limited	91	342
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14. Trustees remuneration

Executive

2016

	Remuneration	Travel costs	Total
H M Adams	950	1 680	2 630
R Bradfield	950	-	950
	1 900	1 680	3 580

2015

	Remuneration	Total
H M Adams	750	750
R Bradfield	750	750
	1 500	1 500

THE BODY CORPORATE OF KOWIE RIVER CHALETS
DETAILED LEVY STATEMENT
for the year ended 31 December 2016

	2016 ACTUAL R	2016 BUDGET R	2016 VARIANCE R	2015 ACTUAL R
LEVIES RECEIVED				
Normal levies raised	3 847 846	3 775 133	72 713	3 431 863
OTHER INCOME	72 580	76 411	(3 831)	92 430
Interest received	48 981	45 425	3 556	56 789
Sundry income	23 599	30 986	(7 387)	35 641
TOTAL INCOME	<u>3 920 426</u>	<u>3 851 544</u>	<u>68 882</u>	<u>3 524 293</u>
ADMINISTRATION COSTS	379 717	390 884	11 167	353 237
Advertising and signage	47 285	72 500	25 215	72 204
AGM costs	6 027	11 947	5 921	3 224
Audit fees	34 183	34 074	(109)	30 500
Bad debts	17 636	50 000	32 364	10 774
Bank charges	22 838	14 991	(7 847)	16 376
Computer expenses	46 515	92 309	45 794	66 011
Consulting fees	7 348	3 885	(3 463)	34 915
First exchange fees	24 632	24 632	-	23 236
Interest paid	312	-	(312)	480
Legal expenses	85 689	3 314	(82 375)	6 246
Postage , courier and storage	10 318	425	(9 893)	11 537
Printing and stationery	28 382	34 990	6 608	32 697
Subscriptions	6 371	9 769	3 398	7 990
Travelling and meeting expenses	42 181	38 048	(4 133)	37 047
ON SITE EXPENSES	315 402	374 612	59 210	276 107
Cleaning materials	30 952	32 704	1 752	19 988
Guest entertainment	41 467	58 895	17 428	44 065
Guest commodities	54 743	59 538	4 795	44 073
Laundry expenses	56 610	87 740	31 130	47 369
DSTV expenses	61 398	61 413	15	56 825
Pest control	7 868	12 754	4 886	7 990
Telephone	60 357	58 194	(2 163)	52 243
TV licences	2 007	3 374	1 367	3 554
Balance carried forward	695 119	765 496	70 377	629 344

THE BODY CORPORATE OF KOWIE RIVER CHALETS
DETAILED LEVY STATEMENT
for the year ended 2016

	2016 ACTUAL R	2016 BUDGET R	2016 VARIANCE R	2015 ACTUAL R
Balance brought forward	695 119	765 496	70 377	629 344
PROPERTY EXPENSES	890 339	1 118 010	227 671	967 399
Electricity	233 321	259 096	25 775	240 339
Insurance	76 826	78 198	1 372	69 789
Rates, refuse and sewerage	164 673	169 237	4 564	149 918
Repairs and maintenance	210 344	389 308	178 964	311 291
Security	145 658	150 555	4 897	128 316
Water	59 517	71 616	12 099	67 746
MANAGEMENT FEE	163 080	163 080	-	150 960
ACCOUNTING FEE AND DIRECT COST	230 304	230 304	-	-
STAFFING	897 096	1 023 718	126 622	1 032 854
Salaries and wages	809 609	959 823	150 214	1 006 957
Employee tax incentive received	(5 940)	-	5 940	(12 049)
Staff expenses	53 863	42 273	(11 590)	35 156
Uniforms	39 564	21 622	(17 942)	2 790
TOTAL EXPENDITURE	<u>2 875 938</u>	<u>3 300 608</u>	<u>424 670</u>	<u>2 780 557</u>
LEVY SURPLUS BEFORE TAXATION AND TRANSFER TO RESERVE	1 044 488	550 936	493 552	743 736
TAXATION	<u>-</u>	<u>7 395</u>	<u>7 395</u>	<u>2 046</u>
LEVY SURPLUS AFTER TAXATION	1 044 488	543 541	500 947	741 690
TRANSFER TO FUTURE RESERVE FUND	<u>(1 044 488)</u>	<u>(543 541)</u>	<u>(500 947)</u>	<u>(741 690)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTIFICATION, APPOINTMENT OF PROXY AND ACCEPTANCE MANDATE

Note: In terms of section 6(5) of the Sectional Titles Schemes Management Act 2011 a member must be represented in person or by proxy at meetings of body corporate and a person may not act as a proxy for more than two members of the body corporate.

Scheme Details	
Name of Scheme	BODY CORPORATE OF KOWIE RIVER
SS Number / Year	SS214/1989, SS95/1990 SS293/1991

To: c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD

I/We, the undersigned owner(s) and member(s) give notice to body corporate of the above scheme that I/we appoint a proxy to speak and vote at the general meetings (including adjournments) and on the terms set out below.

Member name(s):	
Unit numbers:	
Proxy name (insert one full name):	

This appointment applies to: (tick **one** of the following and complete as necessary)

<input checked="" type="checkbox"/>	The general meeting to be held on:	24/04/2017
<input type="checkbox"/>	All general meetings held before:	<div> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> </div> <div>DDM M Y YYYY</div>
<input type="checkbox"/>	All general meetings until and including the body corporate's next annual general meeting	<div> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> </div> <div>D D M M Y YYYY</div>

Special conditions or instructions to proxy: (if left blank, the appointment is unconditional)

AGENDA ITEM		FOR	AGAINST	ABSTAIN
6.	<u>Resolution 1:</u> Approval of Agenda			
7.	<u>Resolution 2:</u> Approval of the minutes of the previous general meeting held on 21 April 2016			
8.	<u>Resolution 3:</u> Matters arising, if any			
10.	<u>Resolution 4:</u> <u>Insurance replacement values.</u> Approve the schedules of insurance replacement values referred to in Rule 23(3), with or without amendment			
11.	<u>Resolution 5:</u> <u>Insurance.</u> Determine the extent of the insurance cover by the Body Corporate in terms of Rules 23(6), (7) and(8)			
12.	<u>Resolution 6:</u> <u>Budget for the year ending 31 December 2017</u> To approve the budget for the administrative and reserve funds for the next financial year.			
13.	<u>Resolution 7:</u> Presentation and approval of 10-year Maintenance and Replacement Plan			

15.	<u>Resolution 8:</u> <u>Auditors</u> To appoint an auditor to audit the annual financial statements, and to approve the remuneration of the auditor for the past year			
16.	<u>Resolution 9:</u> <u>Number of Trustees</u> Determine the number of trustees to be elected to serve during the next financial year			
17.	<u>Resolution 10:</u> Election of Trustees			
19.	<u>Resolution 11:</u> To give directions or impose restrictions referred to in Section 7(1) of the Act			
20.	<u>Resolution 12:</u> The financial year end of the Body Corporate			

(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.

Signature(s) of members giving mandate:

	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> DD MM Y YYY
--	--

Please note that should you be signing on behalf of a legal or juristic person, then a resolution from that particular legal or juristic person is required authorizing the signatory to sign on behalf of the particular entity

Signature of person accepting mandate:

	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> D D M M Y YYY
--	--

NOTES TO NOTIFICATION, APPOINTMENT OF PROXY AND ACCEPTANCE OF MANDATE

We would like to highlight the following provisions of the Sectional Titles Schemes Management Act, 2011 (The Act) Sectional Titles Schemes Management Regulations (The Regulations) which was promulgated subsequent to the last annual general meeting

In terms of the Act –

6.

- (5) A member may be represented in person or by proxy at such meeting: Provided that a person must not act as a proxy for more than two members
- (6) When votes are calculated in value, each member's vote is calculated either –
 - (a) as the total of the quotas allocated to the sections registered in that member's name: or
 - (b) in accordance with a rule made in terms of section 10(2), whichever is applicable.
- (7) When votes are calculated in number, each member has one vote.

Please note that legal entities may be represented by a person authorized in terms of a Letter of Representation without restriction on the number of legal entities that person represents

In terms of the Regulations –

20.

- (2) Except for special and unanimous resolutions, a member is not entitled to vote if –
 - (a) a member fails or refuses to pay the body corporate any amount due by that member after a court of adjudicator has given judgement or order for payment of that amount; or
 - (b) that member persists in the breach of any of the conduct rules of the scheme referred to in section 10(2) (b) of the Act after a court or an adjudicator has ordered that member to refrain from breaching such rule.
- (3) For the purposes of any vote, the values of votes of any sections registered in the name of the body corporate are considered abstentions.
- (4) Where a member is as such a trustee for a beneficiary, that member exercises voting rights to the exclusion of persons beneficially interested in the trust and such persons are not entitled to vote.
- (5) A member's appointment of a proxy in terms of section 6(5) of the Act and the proxy's acceptance of the mandate must, except in the case of an appointment in a mortgage bond, be substantially in the prescribed form and must be –
 - (a) delivered to the body corporate 48 hours before the time of the meeting; or
 - (b) handed to the chairperson before or at the start of the meeting.
- (6) A proxy need not be a member, but must not be the managing agent or an employee of the managing agent or the body corporate.
- (7) When two or more persons are entitled to exercise one vote jointly, that vote may be exercised only by one person, who may or may not be one of them, jointly appointed by them as their proxy.
- (8) the outcome of each vote, including the number of votes for and against, must be announced by the chairperson and recorded in the minutes of the meeting.

BODY CORPORATE OF KOWIE RIVER
REGISTRATION NO: SS214/1989, SS95/1990 & SS293/1991

NOMINATION FORM

I/We, (full name): _____
of address _____
the owner of _____

Being a Member of the BODY CORPORATE OF KOWIE RIVER hereby nominate the following person/s for election as Trustees of the Body Corporate.

NAME	SIGNATURE OF ACCEPTANCE	TELEPHONE NO. HOME	TELEPHONE NO. WORK
1. H M Adams			
2. R M Bradfield			
3. M J O'Sullivan			
4.			
5.			
6.			

Signed at _____ this _____ day of _____ 2017

SIGNATURE OF MEMBER (PROPOSER)

NOTES:

7.

(1) A member may nominate any person for the office of trustee.

(2) The nomination of a trustee must be in writing, accompanied by the written consent of the person nominated and delivered to the body corporate service address (First Resorts and Hotel Management (Pty) Ltd at its registered address, being 1 Crompton Street, 3610 or estia@firstresorts.co.za) at least 48 hours before the annual general meeting is due to start.

(3) If an insufficient number of nominations are received in terms of sub-rule (2), further nominations may be called for at the annual general meeting with the consent of the persons nominated.



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)

6		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

**Kowie River Chalets
2018 Timeshare Calendar**

Week	Start Date	End Date
1	05/01/2018	12/01/2018
2	12/01/2018	19/01/2018
3	19/01/2018	26/01/2018
4	26/01/2018	02/02/2018
5	02/02/2018	09/02/2018
6	09/02/2018	16/02/2018
7	16/02/2018	23/02/2018
8	23/02/2018	02/03/2018
9	02/03/2018	09/03/2018
10	09/03/2018	16/03/2018
11	16/03/2018	23/03/2018
12	23/03/2018	30/03/2018
13	30/03/2018	06/04/2018
14	06/04/2018	13/04/2018
15	13/04/2018	20/04/2018
16	20/04/2018	27/04/2018
17	27/04/2018	04/05/2018
18	04/05/2018	11/05/2018
19	11/05/2018	18/05/2018
20	18/05/2018	25/05/2018
21	25/05/2018	01/06/2018
22	01/06/2018	08/06/2018
23	08/06/2018	15/06/2018
24	15/06/2018	22/06/2018
25	22/06/2018	29/06/2018
26	29/06/2018	06/07/2018
27	06/07/2018	13/07/2018
28	13/07/2018	20/07/2018
29	20/07/2018	27/07/2018
30	27/07/2018	03/08/2018
31	03/08/2018	10/08/2018
32	10/08/2018	17/08/2018
33	17/08/2018	24/08/2018
34	24/08/2018	31/08/2018
35	31/08/2018	07/09/2018
36	07/09/2018	14/09/2018
37	14/09/2018	21/09/2018
38	21/09/2018	28/09/2018
39	28/09/2018	05/10/2018
40	05/10/2018	12/10/2018
41	12/10/2018	19/10/2018
42	19/10/2018	26/10/2018
43	26/10/2018	02/11/2018
44	02/11/2018	09/11/2018
45	09/11/2018	16/11/2018
46	16/11/2018	23/11/2018
47	23/11/2018	30/11/2018
48	30/11/2018	07/12/2018
49	07/12/2018	14/12/2018
50	14/12/2018	21/12/2018
51	21/12/2018	28/12/2018
52	28/12/2018	04/01/2019

