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# KNYSNA RIVER CLUB



KNYSNA RIVER CLUB  
HOMEOWNERS' ASSOCIATION

**AGM: 22 NOVEMBER 2016**  
**ANNUAL REPORT: FEBRUARY 2016**

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# KNYSNA RIVER CLUB

KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION  
Trustees: S Ekstrom, J Henry, SE Lamont  
(Co-Opt Trustee: B Buchan)

26 October 2016

## NOTICE TO HOMEOWNERS

### PLEASE TAKE NOTE

THE ANNUAL GENERAL MEETING  
OF KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION WILL TAKE PLACE ON:

DATE: **WEDNESDAY, 22 NOVEMBER 2016**

VENUE: **SUN VALLEY DRIVE  
KNYSNA  
(AT THE RESORT)**

TIME: **15H00**

  
**J Jordaan**  
Director

FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD



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## **KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION**

### **TRUSTEES**

B Buchan (co-opt Trustee)  
S Ekstrom  
J Henry  
SE Lamont

### **MANAGING AGENTS**

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

P.O. Box 1287  
PINETOWN  
3600

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

Fax: (031) 7091680

### **AUDITORS**

Boshoff Visser Incorporated  
73 Meade Street  
GEORGE  
6530

PO Box 2570  
GEORGE  
6530

### **BANKERS**

Nedbank  
PINETOWN

# Knysna River Club Homeowners' Association

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For your information we enclose the following documents:

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## **KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION**

NOTICE is hereby given that an Annual General Meeting of Homeowners  
of Knysna River Club Homeowners' Association  
will be held at the Resort on **Tuesday, 22 November 2016 at 15h00**

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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 11 November 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 Trustees Report, the Trustees responsibility for approval Report and the Auditors Report in respect of the year ended 29 February 2016
10. Approval of Auditor's remuneration
11. Appointment of Auditors for the financial year ending 28 February 2017
12. To determine the number of Trustees for the ensuing year
13. Election of Trustees  
Election of Trustees to be considered with other nominations submitted, if any.
14. Presentation and acceptance of Insurance Values, subject to any amendment

15. Presentation and acceptance of the estimate of Income and Expenditure for the year ending 28 February 2017

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16. Interest rate charged on arrear levies

17. General

- a. Community Schemes Ombud Services ACT 9 OF 2011 (CSOS) and Sectional Title Schemes Management ACT 8 OF 2011 (STSMA)



**BY ORDER OF THE BOARD**

First Resorts and Hotel Management (Pty) Ltd  
Per: J Jordaan  
Pinetown, 27 October 2016

**NOTES:**

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 Association.

The proxy form attached hereto must be completed and received at the registered office of the Association at least 48 (FOURTY EIGHT) hours before the scheduled commencement time of the meeting.

# **KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION**

**MINUTES OF THE ANNUAL GENERAL MEETING  
HELD AT SUN VALLEY DRIVE, KNYSNA  
ON WEDNESDAY, 11 NOVEMBER 2015 AT 15H00**

## **PRESENT:**

Mr S Ekstrom

Mr J Henry

Mr S E Lamont (In the Chair)

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

## **IN ATTENDANCE:**

Representing First Resorts and Hotel Management (Pty) Ltd

Mr G Miller

Mr E Swart

Mrs M Swart

### **1. WELCOME**

Mr S E Lamont 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**

No apologies were received.

The Managing Agent tabled 3 proxies totalling 634 shares, which had been received within the prescribed time.

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

Mr S E Lamont confirmed that a quorum was present and declared the meeting properly constituted.

### **5. APPOINTMENT OF CHAIRMAN**

Mr S E Lamont was requested to chair the meeting

### **6. PRESENTATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 4 NOVEMBER 2013**

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

#### **Resolved that:**

The Minutes of the Annual General Meeting of the Home Owners Association held on 1 December 2014 be, and are hereby, accepted.

Proposed: Mr S Ekstrom

Seconded: Mr S E Lamont

### **7. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 1 DECEMBER 2014**

No matters were raised.

**8. PRESENTATION OF CHAIRMAN'S REPORT**

It was unanimously agreed that the Chairman's report, having been circulated, be taken as read.

**9. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS, TOGETHER WITH THE TRUSTEES' REPORT, THE TRUSTEES RESPONSIBILITY FOR APPROVAL OF THE REPORT AND THE AUDITOR'S REPORT IN RESPECT OF THE YEAR ENDED 28 FEBRUARY 2015**

Two sets of audited financial statements were considered, one for the Home Owners Association and the other for the Rental Pool.

**Ordinary Resolution No. 2**

Resolved that:

The Audited Financial Statements, together with the reports of the Trustees, Auditors and Audit Committee, in respect of the year ended 28 February 2015 be, and are hereby, accepted.

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

**Ordinary Resolution No. 3**

Resolved that:

Payment of the Auditor's remuneration in the sum of R 16,000 for the Rental Pool and R 16,760 for the Home Owners Association for the year ending 28 February 2015 be, and is hereby, approved.

**11. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR ENDING 29 FEBRUARY 2016**

**Ordinary Resolution No. 4**

Resolved that:

Messrs Boshoff Visser Incorporated be, and are hereby, appointed to serve as the Auditors of the Home Owners Association for the financial year ending 29 February 2016.

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

**Ordinary Resolution No. 5**

Resolved that:

The number of Trustees to serve on the Board for the ensuing year be set at three (3).

**13. ELECTION OF TRUSTEES**

Nominations were received for Mr S E Lamont, Mr S Ekstrom and Mr J Henry.

**Ordinary Resolution No. 6**

Resolved that:

The election of Messrs J Henry, S Ekstrom and S E Lamont as Trustees of the Home Owners Association be, and is hereby, passed on a single resolution.

Further Resolved that:

Messrs J Henry, S Ekstrom and S E Lamont be, and are hereby, elected as Trustees of the Company and shall serve as such upon delivery to the Association of their consent in writing to do so.

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

**Ordinary Resolution No 7**

Resolved that:

The Schedule of Insurance Values be, and is hereby, accepted without amendment.



**15. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE IN RESPECT OF THE YEAR ENDING 29 FEBRUARY 2016**

The budget as presented in the pack was approved for both the Home Owners Association and the Rental Pool.

**Ordinary Resolution No 8**

Resolved that:

The estimate of Income and Expenditure for the year ending 29 February 2016 be, and is hereby, accepted. The proposed levy decrease for the HOA was approved at 29% effective 1 March 2016.

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

**Ordinary Resolution No 9**

Resolved that:

The interest rate on arrear levies is to be set at 2% per month.

**17. GENERAL**

No matters were raised.

There being no further business, the Chairman thanked everyone for their attendance, thanked the Board for their hard work and the Managing Agents for their input, and closed the meeting.

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

\_\_\_\_\_  
CHAIRMAN



## **KNYSNA RIVER CLUB HOMEOWNERS ASSOCIATION**

### **CHAIRMAN'S REPORT FOR THE YEAR ENDING 28 FEBRUARY 2016**

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Dear Fellow Owners

It is my privilege to present this report in respect of the past financial year and to also report on the activities at the resort during the year.

#### **Projects completed during the past year include**

1. Unit Maintenance
  - Units which require maintenance is noted on a schedule, and an updated ACL is handed in every Friday to ensure that unit maintenance is completed.
  - Replaced all kitchen and bathroom counter strips.
  - Bathroom and kitchen silicon replaced
  - Shower heads were replaced with water saver shower heads.
2. Painting
  - Sanding and varnishing of unit decks were completed. Replaced rotten wood on patio decks.
  - Painted Restaurant & roof inside and outside.
  - Painted wooden parking areas, walkway poles, jetty and unit numbers.
  - Painted sauna, Jacuzzi and security offices' roof.
  - Cleaned unit roofs with high pressure cleaner.
3. Building
  - Tiled Restaurant Boma area, built fire pit and braai area.
  - Completed new talking point "Bird cage"
4. Electrical
  - Installed new garden lights for the guests to play mini golf in the evenings.
  - Installed new lights for the outside of the Restaurant for guests using the patio entrance.
  - All units have energy saving globes.
  - COC's certificates completed for Restaurant, Reception area.

#### **Refurbishment**

The refurbishments of stoves, fridges & shower are ongoing according to the 5 year plan, very well received by guests, especially showers.

#### **Rentals**

Every effort is being made to, not only maintain, but increase the level of rentals so as to increase the yield to owners. We are confident that the improvements being made, as well as the marketing efforts will help to increase occupancy, despite the competitive market. We would like to thank Eben, Mariska and their team for their efforts, resulting in the resort receiving AA Quality Assured Superior grading. In addition, the Tourism Grading Council has awarded the resort 4 star status. The main marketing focus this year will be on the WTM in Cape Town as well as Indaba to obtain more new tour operators.

### **Going Green**

- Energy Saving:
  - All of the units have water-saving shower heads.
  - Energy-saver globes are used throughout the resort.
  - "Switch me off" signs have been installed in the units.
- Recycling - The resort makes use of recycling bins.
- Laundry: "Towel change notices" are being placed in units.
- Worm Farm: We currently have a small worm farm on site and are planning to enlarge it. Compost bins will be started in the near future.
- Vegetable Garden – Tomatoes, celery, herbs, and spinach are growing well and available to our guests.

### **Community Projects**

KRC supports the following institutes throughout the year

- Nolene's Soup kitchen           - gas, food lovers market vegetables
- Bracken Hill school           - weekend for two / fund raising
- Rotary golf day               - umbrella, cap, weekend for two price giving

I would like to thank the Managing Agents, First Resorts and Hotel Management (Pty) Ltd, and each member of the Board for their contribution and participation in all aspects concerning the Resort. I also wish to express our gratitude to all members of management and staff of the Resort for keeping the holiday experience the Resort special.

Yours sincerely

**SE Lamont**  
**CHAIRMAN**

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**Knysna River Club Homeowners Association  
Annual Financial Statements  
for the year ended 29 February 2016**

These annual financial statements were prepared by:  
Boshoff Visser Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## General Information

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Country of incorporation and domicile	South Africa
Nature of business and principal activities	Home Owners Association
Trustees	SE Lamont SO Ekstrom JE Henry
Business address	1 Crompton Street Pinetown 3610
Postal address	PO Box 1287 Pinetown 3600
Auditor's	Boshoff Visser Incorporated Chartered Accountants (S.A.) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the constitution.
Preparer	The annual financial statements were internally compiled by: Boshoff Visser Incorporated
Issued	<u>17/10/16</u>

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Index

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

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Trustees' Report	5
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Accounting Policies	8
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Statement of Financial Performance	11
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### Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the constitution.

## Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

### Trustees' Responsibilities and Approval

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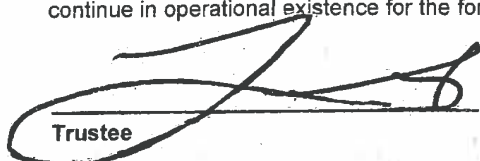
The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as described in note 1 to the annual financial statements. The external auditor's are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as described in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

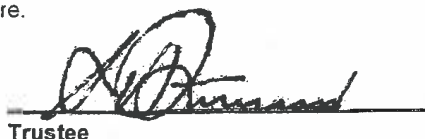
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The trustees have reviewed the association's cash flow forecast for the year to 28 February 2017 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.



Trustee



Trustee

Date:

14/10/16.

## Independent Auditor's Report

### To the trustee of Knysna River Club Homeowners Association

We have audited the annual financial statements of Knysna River Club Homeowners Association, as set out on pages 6 to 10 which comprise the statement of financial position as at 29 February 2016, and the statement of income and retained earnings and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Trustees' Responsibility for the Annual Financial Statements

The association's trustees are responsible for the preparation and of the annual financial statements in accordance with basis of accounting as described in note 1 to the annual financial statements and requirements of the constitution, and for such internal control as the trustees 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

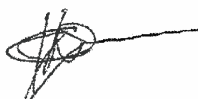
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 association's preparation and fair presentation of the annual financial statements 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 entity'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 of Knysna River Club Homeowners Association for the year then ended 29 February 2016 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements, and the requirements of the constitution.



**Boshoff Visser Incorporated**  
**Per : CG Human**  
**Director**  
**Chartered Accountants (S.A.)**

Date : 17/10/2016  
George



# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Trustees' Report

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The trustees submit their report for the year ended 29 February 2016.

### 1. Review of activities

#### Main business and operations

Net surplus of the association was R186,178 (2015: profit R147,311), after taxation of R- (2015: R-).

### 2. Going concern

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.

### 3. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### 4. Contributions

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 186,178 (2015: R 147,311).

### 5. Trustees

The trustees of the association during the year and to the date of this report are as follows:

Name  
SE Lamont  
SO Ekstrom  
JE Henry

### 6. Special resolutions

No special resolutions were passed during the year.

### 7. Auditor's

Boshoff Visser Incorporated will continue in office for the next financial period.

## Annual Financial Statements for the year ended 29 February 2016

Figures in Rand	Note(s)	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Plant and equipment	2	400	13,237
<b>Current Assets</b>			
Inventory	3	31,998	56,562
Trade and other receivables	4	59,659	205,715
Cash and cash equivalents	5	1,692,327	2,228,686
		<b>1,783,984</b>	<b>2,490,963</b>
<b>Total Assets</b>		<b>1,784,384</b>	<b>2,504,200</b>
<b>Equity and Liabilities</b>			
<b>Owner's funds and reserves</b>			
Accumulated surplus		276,477	90,299
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Loans from members	6	803,073	1,822,919
Provisions, trade and other payables	7	704,834	590,982
		<b>1,507,907</b>	<b>2,413,901</b>
<b>Total Equity and Liabilities</b>		<b>1,784,384</b>	<b>2,504,200</b>

## Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

### Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2016	2015
Revenue		3,823,443	3,649,931
Other income	8	(8,574)	14,018
Expenditure		(3,628,691)	(3,516,638)
<b>Surplus</b>	9	<b>186,178</b>	<b>147,311</b>
Opening balance		90,299	(57,012)
<b>Accumulated surplus at the end of the year</b>		<b>276,477</b>	<b>90,299</b>

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Accounting Policies

### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. Entity own specific accounting policies have been used to prepare the financial statements. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	4

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

#### 1.2 Revenue

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

Levies are recognised as income when the association has the right to receive the levies.

#### 1.3 Borrowing costs

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

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Notes to the Annual Financial Statements

	2016	2015
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### 2. Plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	44,260	(43,860)	400	44,260	(31,023)	13,237

#### Reconciliation of plant and equipment - 2016

	Opening balance	Depreciation	Total
Motor vehicles	13,237	(12,837)	400

#### Reconciliation of plant and equipment - 2015

	Opening balance	Depreciation	Total
Motor vehicles	26,074	(12,837)	13,237

### 3. Inventory

Inventory - Fred toys	7,065	1,191
Inventory - Fred stickers	-	1,008
Consumables	-	15,776
Membership goodie bag	-	5,639
Stationery	24,933	32,948
	<b>31,998</b>	<b>56,562</b>

### 4. Trade and other receivables

Trade receivables	14,051	124,353
Prepayments - TV licences and Waterways Jetty	15,924	7,369
Deposits - municipality	19,424	19,424
Accrued income	-	21,092
Loan - Boogies Restaurant	-	33,477
Accounts receivable - The Terrace Restaurant	10,260	-
	<b>59,659</b>	<b>205,715</b>

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,458	9,213
Nedbank - cash at bank	827,623	519,551
Nedbank call account - HOA	861,246	1,594,383
Nedbank call account - Rental Pool	-	105,539
	<b>1,692,327</b>	<b>2,228,686</b>

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>6. Other financial liabilities</b>		
Current account - Rental Pool	1,510,373	758,153
Current account - Timeshare Management Association	(707,300)	1,064,766
	<b>803,073</b>	<b>1,822,919</b>
<b>7. Provisions, trade and other payables</b>		
Accrued expense (Management / Payroll / Salary fees)	-	13,599
Provision - audit / compiler fee	-	15,997
Receipts clearing account	32,064	26,773
Rates payable	97,003	83,404
Current account - Trafalgar Holiday Resort	158,726	78,067
Accounts payable	417,041	373,142
	<b>704,834</b>	<b>590,982</b>
<b>8. Other income</b>		
Discount received	5,471	10,976
Recoveries	(23,538)	-
Sundry income	9,493	3,042
	<b>(8,574)</b>	<b>14,018</b>
<b>9. Surplus</b>		
Surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	181,933	164,840
Depreciation on property, plant and equipment	12,837	12,837
Employee costs	1,516,390	1,468,968
Municipal expenses	713,613	657,042
Laundry	128,355	141,026
Repairs and improvements	270,681	255,247
Management and payroll fees	86,204	58,894
<b>10. Employee cost</b>		
<b>Employee costs</b>		
Basic	1,473,829	1,427,681
Medical aid - company contributions	13,618	12,657
UIF	14,374	14,204
SDL	14,569	14,426
	<b>1,516,390</b>	<b>1,468,968</b>

# Knysna River Club Homeowners Association

Annual Financial Statements for the year ended 29 February 2016

## Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
<b>Revenue</b>			
Rental income		10,260	-
Levies received		3,813,183	3,649,931
		<b>3,823,443</b>	<b>3,649,931</b>
<b>Other income</b>			
Discount received		5,471	10,976
Recoveries		(23,538)	-
Sundry income		9,493	3,042
		<b>(8,574)</b>	<b>14,018</b>
<b>Expenditure</b>			
Advertising		28,821	41,807
AGM expenses		-	1,467
Auditors remuneration		2,067	16,000
Bank charges		4,018	3,082
Cleaning		43,326	44,273
Computer expenses		53,632	44,088
Depreciation		12,837	12,837
Employee costs		1,516,390	1,468,967
Entertainment equipment		92,643	54,520
Interest paid		828	846
Insurance		114,477	97,638
Laundry		128,335	141,026
Legal expenses		16,208	6,146
Licences (SABC / DSTV)		108,879	108,415
Management and payroll fees		86,204	58,894
Municipal expenses		713,613	657,042
Pest control		872	-
Postage		9,185	9,994
Printing and stationary		29,099	48,071
Rent paid		181,933	164,840
Repairs and maintenance / replacements		270,681	255,247
Security		24,226	18,307
Sundry expenses		1,731	90
Staff expenses		27,192	55,858
Staff transport		21,575	21,405
Telephone and fax		39,133	34,070
Upgrade project		40,831	85,607
Uniforms		32,792	44,832
Vehicle expenses		27,163	21,269
		<b>3,628,691</b>	<b>3,516,638</b>
<b>Surplus for the year</b>		<b>186,178</b>	<b>147,311</b>

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**Knysna River Club Rental Pool  
Annual Financial Statements  
for the year ended 29 February 2016**

These annual financial statements were prepared by:  
Boshoff Visser Incorporated  
Chartered Accountants (S.A)

These annual financial statements have not been audited or independently reviewed.

Issued 17/10/2016



# Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

## General Information

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Country of incorporation and domicile	South Africa
Nature of business and principal activities	Rental Pool
Board of trustees	SE Lamont S Ekstrom J Henry
Business address	1 Crompton Street PINETOWN 3610
Postal address	P.O. Box 1287 PINETOWN 3600
Compiler	Boshoff Visser Incorporated Chartered Accountants (S.A.)

# Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

## Index

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The reports and statements set out below comprise the annual financial statements presented to the board of trustees:

Index	Page
Trustees' Responsibilities and Approval	3
Practitioner's Compilation Report	4
Trustees' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Accounting Policies	8
Notes to the Annual Financial Statements	9 - 10

## Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

### Trustees' Responsibilities and Approval

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The trustees are required 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 Rental Pool as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as described in note 1 to the annual financial statements. The external compiler is engaged to express an independent opinion on the annual financial statements.

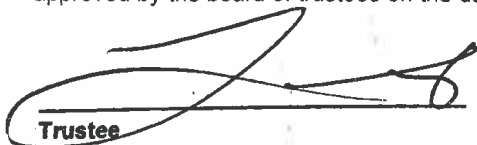
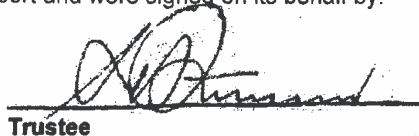
The annual financial statements are prepared in accordance with the basis of accounting as described in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal control established by the Rental Pool and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set 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 Rental Pool and all employees are required to maintain the highest ethical standards in ensuring the Rental Pool's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Rental Pool is on identifying, assessing, managing and monitoring all known forms of risk across the Rental Pool. While operating risk cannot be fully eliminated, the Rental Pool endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the Rental Pool's cash flow forecast for the year to 28 February 2017 and, in the light of this review and the current financial position, they are satisfied that the Rental Pool has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 10, which have been prepared on the going concern basis, were approved by the board of trustees on the date of this report and were signed on its behalf by:

  
Trustee  
Trustee

George

Date: 14/10/16.

## Practitioner's Compilation Report

### To the board of trustees of Knysna River Club Rental Pool

We have compiled the annual financial statements of Knysna River Club Rental Pool, as set out on pages 6 - 10, based on the information you have provided. These annual financial statements comprise the statement of financial position of Knysna River Club Rental Pool as at 29 February 2016, and the statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the basis of accounting as described in note 1 to the annual financial statements.



**Boshoff Visser Incorporated**  
**Per: CG Human**  
**Director**  
**Chartered Accountants (S.A.)**

Date : 17/10/2016

**48 York Street**  
**George**  
**6530**

# Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

## Trustees' Report

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The trustees submit their report for the year ended 29 February 2016.

### 1. Review of activities

#### Main business and operations

The Rental Pool is engaged in the short term rental market, predominantly holiday accommodation. The Rental Pool operates principally in South Africa.

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

Net surplus of the Rental Pool was R457,017 (2015: profit R121,613), after taxation of R- (2015: R-).

### 2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### 3. Contributions

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 457,017 (2015: R 121,613).

### 4. Trustees

The trustees of the Rental Pool during the year and to the date of this report are as follows:

Name  
SE Lamont  
S Ekstrom  
J Henry

### 5. Special resolutions

No special resolutions were passed during the year.

## Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

### Statement of Financial Position as at 29 February 2016

Figures in Rand	Note(s)	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Other financial assets	2	1,510,373	758,153
<b>Total Assets</b>		<b>1,510,373</b>	<b>758,153</b>
<b>Owners' Funds and Liabilities</b>			
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Refundable deposits	3	196,819	196,819
<b>Current Liabilities</b>			
Trade and other payables	4	1,119,107	718,367
Members loans	5	194,447	(157,033)
<b>Total Funds and Liabilities</b>		<b>1,510,373</b>	<b>758,153</b>

## Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
<b>Revenue</b>			
Rental Income		2,864,145	2,835,922
<b>Other income</b>			
Sundry income		14,817	7,657
Interest received		85,119	79,679
<b>Total other income</b>		<b>99,936</b>	<b>87,336</b>
<b>Operating expenses</b>			
Accounting fees		6,356	17,660
Accounting fees - prior year		(11,715)	-
Administration and management fees		71,604	70,997
Advertising		61,310	120,625
Bank charges		8,533	11,187
Commission paid		57,492	70,927
Computer expenses		-	1,200
Entertainment		52,021	53,444
HOA Levies		2,139,310	2,262,218
Printing and stationery		-	305
Repairs and maintenance		99,630	168,491
Signage		-	570
Telephone expense		22,524	24,021
<b>Total operating expenses</b>		<b>2,507,065</b>	<b>2,801,645</b>
<b>Surplus for the year</b>		<b>457,016</b>	<b>121,613</b>

# Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. Entity owned specific accounting policies are used to prepare the financial statements. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Financial instruments

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### 1.2 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### 1.3 Revenue

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

Levies are recognised when the right to receive payment is established. Levies are measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

#### 1.4 Borrowing costs

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



## Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

### Notes to the Annual Financial Statements

	2016	2015
<b>2. Other financial assets</b>		
Loan : Knysna River Club HOA - refundable deposits Refundable deposits represents cash held by Knysna River Club HOA on behalf of Knysna River Club Rental Pool. The loan bears 0% interest and is repayable on demand.	196,819	196,819
Loan : Knysna River Club HOA - other The loan represent other cash held by the Knysna River Club HOA on behalf of the Knysna River Club Rental Pool. The loan bears 0% interest and is repayable on demand.	-	105,539
Accounts payable: Levies recieved and HOA expenses The accounts payable is shown as part of other financial assets to reflect the total amount owed by the HOA to the rental pool for life to date levies received by the HOA on behalf of the rental pool as well as expenses incurred on behalf of the rental pool..	1,313,554	455,795
	<b>1,510,373</b>	<b>758,153</b>
<b>3. Refundable deposits</b>		
Unit 6 - Flexi Club	30,000	30,000
Unit 7 - Mr Buchan	8,000	8,000
Unit 8 - Mr E & T Georgiou	7,500	7,500
Unit 9 - Mr E & T Georgiou	7,500	7,500
Unit 10 - Mr Buchan	8,000	8,000
Unit 11 - Trafalgar Holiday Resorts	19,819	19,819
Unit 15 - Mr Buchan	8,000	8,000
Unit 16 - Mr Buchan	8,000	8,000
Unit 17 - Mr Buchan	8,000	8,000
Unit 19 - Mr Buchan	8,000	8,000
Unit 20 - Mr Buchan	8,000	8,000
Unit 21 - Mr Buchan	8,000	8,000
Unit 26 - Mr Buchan	8,000	8,000
Unit 27 - Mr Buchan	8,000	8,000
Unit 28 - Mr G Mohanmed/Mrs Sharpley	6,000	6,000
Unit 29 - Mr Buchan	8,000	8,000
Unit 30 - Mr J Kotze	6,000	6,000
Unit 31 - Mr Buchan	8,000	8,000
Unit 32 - Mr Buchan	8,000	8,000
Unit 35 - Mr Buchan	8,000	8,000
Unit 36 - Mr Buchan	8,000	8,000
	<b>196,819</b>	<b>196,819</b>
Refundable deposits represent deposits owed to owners of the rental pool units.		
<b>4. Trade and other payables</b>		
Accounting fees	-	11,715
Stock purchased - Castleton & River Club Villas	21,500	-
VAT	1,097,607	706,652
	<b>1,119,107</b>	<b>718,367</b>

## Knysna River Club Rental Pool

Annual Financial Statements for the year ended 29 February 2016

### Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>5. Members reserves / (loans)</b>		
Unit 1 - J Henry sold to Golf Resorts Properties (Pty) Ltd	(42,031)	(20,086)
Unit 8, 9 - Mr E & T Georgiou	(7,693)	34,735
Unit 30 - Mr J Kotze	(5,227)	5,014
Unit 11 - Mr M Rishworth sold to Trafalgar Holiday Club	-	16
Unit 11 - Trafalgar Holiday Club	(23,393)	18,913
Unit 28 - Mr G Mohamed/Mrs Sharpley	8,671	1,184
Unit 3 - S Ekstrom	(19,679)	117,257
Unit 7, 10, 15, 16, 17, 19, 20, 21, 26, 27, 29, 31, 32, 35, 36 - Mr Buchan	(105,095)	-
	<b>(194,447)</b>	<b>157,033</b>

**KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION**

**INSURANCE COVER SCHEDULE**

**INSURED:**

KNYSNA RIVER CLUB HOA

**INSURER:**

HOLLARD

**POLICY NO:**

FIRST061/0001

**PERIOD OR COVER:**

01 MARCH 2016 TO 01 MARCH 2017

**BROKERS:**

CURNOW GARRUN

DETAILS		
<b>BUILDINGS COMBINED AND FIRE</b>		56 811 273
- FUNCTION ROOM	1 675 803	
- RESTAURANT	620 000	
- CHALET UNITS 1,3,8,19,28,30	6 032 888	
- CHALET UNITS 2,4,10,11,17,18,21,31,32	21 718 397	
- CHALET UNITS 5,6,7,9,20,29	8 797 962	
- CHALET UNITS (12&14),(15&16),(26&27),(33&34),(35&36)	6 284 259	
- CHALET UNITS (23&25),(22&24)	4 692 246	
- CONTENTS OF UNITS 1,3,8,19,22	1 000 000	
- CONTENTS OF UNITS 2,4,5,6,7,18,20,21,23,25,29,31,32	3 900 000	
- CONTENTS OF UNITS (12&14),(15&16),(33&34),(35&36)	1 400 000	
- CONTENTS OF ALL OTHER BUILDINGS	589 718	
- CONTENTS OF RESTAURANT	100 000	
<b>BUSINESS ALL RISKS</b>		35 000
- OUTDOOR FURNITURE AND POOL EQUIPMENT	25 000	
- MISCELLANEOUS ITEMS	5 000	
- GREEN MACHINE	5 000	
<b>COMPUTERS/ELECTRONIC EQUIPMENT</b>		294 920
- ALL PERSONAL COMPUTERS,PRINTERS AND ANCILLARY EQUIPMENT	289 120	
- LG FS2A99AB LAPTOP	5 800	
<b>MOTOR VEHICLE</b>		101 000
- 2006 FORD RANGER CX 43369	56 000	
- 2000 HOME MADE TRAILER	20 000	
- GOLF CART	25 000	
<b>BUSINESS INTERRUPTION - LOSS OF LEVIES (INDEMNITY PERIOD 6 MTHS)</b>		4 065 600
<b>THEFT</b>		20 000
<b>MONEY</b>		15 000
<b>CRISIS 24 - EMERGENCY EVACUATION</b>		1
<b>PUBLIC LIABILITY</b>		1 000 000
<b>EMPLOYERS LIABILITY</b>		1 000 000
<b>TOTAL</b>		<b>63 342 794</b>

**INSURED:**

KNYSNA RIVER CLUB HOA

**INSURER:**

NEW NATIONAL LIABILITY

**POLICY NO:**

FIRST061/0002

**PERIOD OR COVER:**

01 MARCH 2016 TO 01 MARCH 2017

**BROKERS:**

CURNOW GARRUN

DETAILS		
PUBLIC LIABILITY		20 000 000
<b>TOTAL</b>		<b>20 000 000</b>



**KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION**  
**INSURANCE COVER SCHEDULE**

**INSURED:** KNYSNA RIVER CLUB HOA  
**INSURER:** GUARDRISK  
**POLICY NO:** FIRST061/0007  
**PERIOD OR COVER:** 01 MARCH 2016 TO 01 MARCH 2017  
**BROKERS:** CURNOW GARRUN

DETAILS	
GROUP PERSONAL ACCIDENT	1 000 000
<b>TOTAL</b>	<b>1 000 000</b>

**INSURED:** KNYSNA RIVER CLUB HOA  
**INSURER:** GENLIB  
**POLICY NO:** FIRST061/0008  
**PERIOD OR COVER:** 01 MARCH 2016 TO 01 MARCH 2017  
**BROKERS:** CURNOW GARRUN

DETAILS	
DIRECTORS AND OFFICERS	10 000 000
<b>TOTAL</b>	<b>10 000 000</b>

**INSURED:** KNYSNA RIVER CLUB HOA  
**INSURER:** CAMARGUE  
**POLICY NO:** FIRST061/0009  
**PERIOD OR COVER:** 01 MARCH 2016 TO 01 MARCH 2017  
**BROKERS:** CURNOW GARRUN

DETAILS	
PUBLIC LIABILITY	50 000 000
<b>TOTAL</b>	<b>50 000 000</b>

**INSURED:** KNYSNA RIVER CLUB HOA  
**INSURER:** CAMARGUE  
**POLICY NO:** FIRST061/0010  
**PERIOD OR COVER:** 01 MARCH 2016 TO 01 MARCH 2017  
**BROKERS:** CURNOW GARRUN

DETAILS	
EXCESS LAYER LIABILITY	100 000 000
<b>TOTAL</b>	<b>100 000 000</b>

**KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION**  
**BUDGET SUMMARY FOR THE PERIOD ENDING 28 FEBRUARY 2018**



**HOA NOT REGISTERED FOR VAT**

Number of units	35
Whole owners	18
Club owned	17

**INCOME**

	BUDGET FEB 2018	BUDGET FEB 2017	FORECAST FEB 2017	AUDITED FEB 2016
Levies raised	3 346 581	3 042 346	3 042 346	4 313 183
Reduction in levies	-	-	-	(500 000)
CSOS Levy	16 800	-	7 000	-
Interest income	1 620	1 500	1 500	-
Sundry income	12 350	11 080	11 500	14 964
<b>TOTAL INCOME</b>	<b>3 377 351</b>	<b>3 054 926</b>	<b>3 062 346</b>	<b>3 828 147</b>

**EXPENDITURE**

	BUDGET FEB 2018	BUDGET FEB 2017	FORECAST FEB 2017	AUDITED FEB 2016
Advertising and signage	36 276	23 480	33 017	28 821
Auditors remuneration	18 156	23 215	16 810	2 067
Bank charges	3 240	3 780	3 000	4 018
CSOS Levy	16 800	-	7 000	-
Depreciation	-	400	400	12 837
Cleaning & laundry	-	-	-	171 660
Computer expenses	57 642	71 922	53 684	53 631
Electricity and water	-	-	-	483 598
Guest entertainment/Welcome table	-	-	-	87 883
Insurance	180 240	125 987	163 852	114 477
Legal fees	14 250	6 596	13 190	16 208
DSTV expenses & TV licences	136 820	131 365	126 685	108 879
Postage	9 970	9 230	9 230	9 185
Printing and Stationery	36 986	18 600	33 625	29 100
Rates, refuse and sewerage	282 753	237 817	276 999	230 015
Replacements	99 350	90 315	84 795	64 120
Repairs and maintenance	252 666	247 835	211 094	204 517
Salaries and wages	1 507 127	1 352 986	1 348 310	1 516 391
Staff expenses	95 300	86 554	121 710	112 181
Security	20 415	17 030	25 497	24 226
Telephone expenses	28 785	36 825	28 218	39 133
Motor vehicle expenses	28 949	27 721	36 508	27 163
Jetty lease/Sundry expenses	25 950	15 551	24 266	9 382
Rental - Premises	234 021	212 746	212 746	169 654
Management fees	64 800	205 412	60 000	81 164
Managing agent recoveries	157 050	-	145 415	-
Travel	59 239	59 486	55 207	40 831
Interest paid	-	-	-	828
<b>TOTAL EXPENDITURE</b>	<b>3 366 783</b>	<b>3 004 854</b>	<b>3 091 259</b>	<b>3 641 970</b>
<b>SURPLUS FOR THE YEAR</b>	<b>10 569</b>	<b>50 072</b>	<b>(28 913)</b>	<b>186 177</b>
Distribution (to)/from members	(10 569)	(50 072)	28 913	-
<b>SURPLUS</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>186 177</b>







**KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION**  
**LEVIES - BUDGET FEB 2018**

**CSOS LEVY (Community Scheme Onbudsman Services Levy)**

1	1 Bedroom	1 Bathroom	Lagoon - 1 Row
2	2 Bedroom	2 Bathroom	Lagoon - 1 Row
3	1 Bedroom	1 Bathroom	Lagoon - 1 Row
4	2 Bedroom	2 Bathroom	Lagoon - 1 Row
5	2 Bedroom	1 Bathroom	Lagoon - 2 Row
6	2 Bedroom	1 Bathroom	Lagoon - 3 Row
7	2 Bedroom	1 Bathroom	Lagoon - 2 Row
8	1 Bedroom	1 Bathroom	Lagoon - 2 Row
9	2 Bedroom	1 Bathroom	Lagoon - 2 Row
10	2 Bedroom	2 Bathroom	Garden
11	2 Bedroom	2 Bathroom	Lagoon - 3 Row
12	1 Bedroom	1 Bathroom	Lagoon - 3 Row
14	1 Bedroom	1 Bathroom	Garden
15	1 Bedroom	1 Bathroom	Garden
16	1 Bedroom	1 Bathroom	Garden
17	2 Bedroom	2 Bathroom	Garden
18	2 Bedroom	2 Bathroom	Garden
19	1 Bedroom	1 Bathroom	Garden
20	2 Bedroom	1 Bathroom	Garden
21	2 Bedroom	2 Bathroom	Garden
22	1 Bedroom	1 Bathroom	Garden
23	2 Bedroom	1 Bathroom	Garden
24	1 Bedroom	1 Bathroom	Garden
25	2 Bedroom	1 Bathroom	Garden
26	1 Bedroom	1 Bathroom	Garden
27	1 Bedroom	1 Bathroom	Garden
28	1 Bedroom	1 Bathroom	Garden
29	2 Bedroom	1 Bathroom	Garden
30	1 Bedroom	1 Bathroom	Garden
31	2 Bedroom	1 Bathroom	Garden
32	2 Bedroom	2 Bathroom	Garden
33	1 Bedroom	1 Bathroom	Garden
34	1 Bedroom	1 Bathroom	Garden
35	1 Bedroom	1 Bathroom	Garden
36	1 Bedroom	1 Bathroom	Garden

HOA LEVY FEB 2018	EXEMPT PORTION	CSOS LEVIALBLE AMOUNT FEB 2018 NOT REG FOR VAT	CSOS MONTHLY LEVY @ 2% FEB 2018 NOT REG FOR VAT
6 712	(500)	6 212	40
9 687	(500)	9 187	40
6 712	(500)	6 212	40
9 687	(500)	9 187	40
8 952	(500)	8 452	40
8 952	(500)	8 452	40
8 952	(500)	8 452	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
9 687	(500)	9 187	40
9 687	(500)	9 187	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
9 687	(500)	9 187	40
9 687	(500)	9 187	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
9 687	(500)	9 187	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
8 952	(500)	8 452	40
9 687	(500)	9 187	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
6 712	(500)	6 212	40
<b>278 882</b>	<b>(17 500)</b>	<b>261 382</b>	<b>1 400</b>



**KNYSNA RIVER CLUB RENTAL POOL**  
**BUDGET SUMMARY FOR THE PERIOD ENDING 28 FEBRUARY 2018**



Whole owners

18

**ACCOMMODATION INCOME**

Accommodation income

BUDGET FEB 2018	BUDGET FEB 2017	FORECAST FEB 2017	AUDITED FEB 2016
2 949 083	2 796 475	2 853 438	2 864 145
<b>2 949 083</b>	<b>2 796 475</b>	<b>2 853 438</b>	<b>2 864 145</b>

**SUNDRY INCOME**

Interest income

Sundry income

106 840	80 730	100 793	85 119
12 325	15 255	11 412	14 817
<b>119 165</b>	<b>95 985</b>	<b>112 205</b>	<b>99 936</b>

**TOTAL INCOME**

<b>3 068 249</b>	<b>2 892 461</b>	<b>2 965 643</b>	<b>2 964 081</b>
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**EXPENDITURE**

Advertising

Bank charges

Compilation fees

Commission paid

CSOS Levy

Guest supplies & entertainment

Repairs & Replacements

Sundry expenses

Telephone expense

Cleaning & laundry

Electricity & Water

Salary - Housekeeping

Management fees

HOA Levy

HOA Levy - Levy distribution credit from HOA

BUDGET FEB 2018	BUDGET FEB 2017	FORECAST FEB 2017	AUDITED FEB 2016
163 766	112 687	141 242	61 310
7 710	6 670	7 140	8 533
6 265	11 985	5 800	(5 360)
75 709	70 625	71 870	57 492
8 640	-	4 000	-
73 331	78 470	77 402	52 021
434 526	218 098	177 834	99 630
3 360	3 055	3 055	-
22 485	25 600	22 387	22 524
80 582	81 267	73 584	-
230 848	211 018	204 290	-
157 240	137 772	142 112	-
73 727	69 912	71 336	71 604
1 700 124	1 716 449	1 716 449	2 433 436
-	-	-	(294 127)

**TOTAL EXPENDITURE**

<b>3 038 312</b>	<b>2 743 607</b>	<b>2 718 499</b>	<b>2 507 062</b>
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**SURPLUS FOR THE YEAR**

<b>29 936</b>	<b>148 854</b>	<b>247 144</b>	<b>457 019</b>
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**Knysna River Club  
2017 - Timesharing 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	High
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	Peak1
27	07/07/2017	14/07/2017	Peak1
28	14/07/2017	21/07/2017	Peak1
29	21/07/2017	28/07/2017	Low
30	28/07/2017	04/08/2017	O-Season
31	04/08/2017	11/08/2017	Low
32	11/08/2017	18/08/2017	Low
33	18/08/2017	25/08/2017	Low
34	25/08/2017	01/09/2017	Low
35	01/09/2017	08/09/2017	O-Season
36	08/09/2017	15/09/2017	O-Season
37	15/09/2017	22/09/2017	O-Season
38	22/09/2017	29/09/2017	Medium
39	29/09/2017	06/10/2017	Peak1
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



26 October 2016

**To:**

**The Directors of Share Block Companies, Trustees of Sectional Title Bodies Corporate and HOA's**

**Community Schemes Ombud Services ACT 9 OF 2011 (CSOS) AND**

**Sectional Title Schemes Management ACT 8 OF 2011 (STSMA)**

These acts were first signed by the President in 2011. When the Regulations to the Acts are approved and published, the acts come into operation.

**The CSOS and STSMA became operational 7th October 2016.**

There are immediate items contained in these acts that must now be addressed and brought to shareholders and sectional title owners' attention. These include BUT are NOT limited to the following:

**CSOS**

**Is applicable to all community schemes – Sectional Title Bodies Corporate, Share Block Companies, Home Owners Associations, etc.**

1. The Body Corporate, Share Block Companies and HOA have 30 days from 7<sup>th</sup> October 2016 to register with CSOS. This involves the completion of a five page registration form for each entity. When submitted this application must be accompanied by many documents including rules, plans, constitution, Directors / Trustees IDs and other information. First Resorts, your managing agents, will be attending to this.

2. From the 1<sup>st</sup> October 2016 all shareholders/owners will be required to pay a monthly service levy to the office of the Ombud. If you own in a sectional title scheme within a HOA, you will be required to pay two contributions. The amount of the contribution will be the BC or HOA monthly levy – less R500 (as this is exempt) – 2% of the balance to a maximum amount of R40. Therefore if your HOA levy is R2750 your contribution will be  $R2750 - R500 = R2250 \times 2\% = R45$  therefore the levy will be R40.

The service levy is charged in order to fund the services offered by the office of the Ombudsman which include *inter alia* –



- Assisting schemes to recover arrear levies. The regional Ombudsman can be approached to help in cases where trustees are finding it difficult to recover arrear owner contributions.
- Remedying an inability to obtain either a special or unanimous resolution. In future the chief Ombudsman can be approached to assist in cases where there is a stalemate in achieving either a special or unanimous resolution.
- Assisting in dispute resolutions and control sectional title governance. The service will be available to all with a minimal administration fee and it will also be funded via a small stipend attached to the scheme's levy payments. The amounts payable will be proportionate to the levy amounts paid.
- Shareholders/owners can apply for the CSOS to assist them in disputes and this will include assistance in coming to a resolution on matters. The CSOS will, however, refer matters that cannot be resolved to either conciliation or adjudication services.

## STSMA

### Is applicable only to Sectional Title Bodies Corporate.

#### Reserve Fund and Administrative Fund

1. In terms of the STSMA Regulations the BC must draw up a 10 year maintenance plan. This involves everything and anything that is included in the structure e.g. wiring, piping, roofs, painting, tarring etc. The plan must give the item, its age and current state, what will have to be spent per year on maintaining the item over the next 10 years and the cost of eventually replacing said item.

2. The BC must create a **Reserve Fund** and have a MINIMUM of 25% of the previous years' levy income in the Reserve Fund.

If it is less than 25% they must, in the next budget, raise 15% of the previous year's levy income.

If the amount in the Reserve Fund at the end of the previous financial year is equal to or more than 100% of the contributions to the Administrative Fund there is no minimum contribution to the Reserve Fund.

If the amount in the Reserve Fund at the end of the previous financial year is more than 25% but less than 100% of the contributions to the Administrative Fund, the Reserve Fund must be at least the amount budgeted to be spent in the Administrative Fund on repairs and maintenance of common property in the financial year being budgeted for.



# FIRST RESORTS

*360° Service*

First Resorts and Hotel Management (Pty) Ltd  
Registration No. 2004/015621/07  
1 Crompton Street, Pinetown 3610  
P.O. Box 1287, Pinetown, 3600  
Tel: 031 717 7593 | Fax: 031 701 9964  
www.firstresorts.co.za

3. The budget must also include an **Administrative Fund** which is the budgeted amount for the administration, operations, repairs and maintenance, etc for the year budgeted for.

4. The trustees will have to report at each AGM on what has been attended to in respect of the 10 year maintenance plan, what not and, if not, why not.

There is no doubt that the above requirements will have a financial impact on the budget.

#### Proxies

5. No person may hold more than the **proxy of 2 owners**. The days of the Chairman holding enough proxies to ensure a quorum are GONE. Owners are going to have to start taking responsibility for their investment in Sectional title and participate at least in the AGM.

#### Quorum of a general meeting

6. A quorum is no longer a number **BUT 33.3% of the total votes of members in VALUE** of the scheme.

**These are the items that will make an immediate impact on owners but of course there are more and as these are identified they will be brought to owners' attention**

We will continue to keep you informed of the processes as we progress.

**FIRST RESORTS MANAGEMENT TEAM.**

Directors: SE Lamoni, JJ Jordaan, TT Spencer, JH Jordaan





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

Only applicable to owners who need to update their details.

# KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION

## NOMINATION FORM FOR TRUSTEES

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

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

in Unit \_\_\_\_\_ duly authorised hereto as a member of the above Association, hereby nominate the following persons for election as Trustees of the Association at the Annual General Meeting of the Association to be held on **22 NOVEMBER 2016** and their signatures signify acceptance.

### NAMES OF PROPOSED TRUSTEES

### SIGNATURES OF PROPOSED TRUSTEES

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

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

### Current Trustees are:

S Ekstrom  
J Henry  
SE Lamont

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

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

### DOMICILIUM

KNYSNA RIVER CLUB HOMEOWNERS' ASSOCIATION  
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

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 will also be acceptable.

## 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	KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION
SS Number / Year	

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:	<b>22 / 11 / 2016</b>
<input type="checkbox"/>	All general meetings held before:	<div style="display: flex; justify-content: space-around; align-items: center;"> <div><input type="text"/><input type="text"/> / <input type="text"/><input type="text"/></div> <div><input type="text"/><input type="text"/><input type="text"/><input type="text"/></div> </div> <div style="display: flex; justify-content: space-around; align-items: center; font-size: small;"> <div>D D</div> <div>M M</div> <div>Y Y Y Y</div> </div>
<input type="checkbox"/>	All general meetings until and including the body corporate's next annual general meeting	<div style="display: flex; justify-content: space-around; align-items: center;"> <div><input type="text"/><input type="text"/> / <input type="text"/><input type="text"/></div> <div><input type="text"/><input type="text"/><input type="text"/><input type="text"/></div> </div> <div style="display: flex; justify-content: space-around; align-items: center; font-size: small;"> <div>D D</div> <div>M M</div> <div>Y Y Y Y</div> </div>

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

AGENDA ITEM	AGENDA	FOR	AGAINST	ABSTAIN
6.	To accept the minutes of the Annual General Meeting held on 11 November 2015			
9.	To accept the Annual Financial Statements in respect of the year ended 29 February 2016			
10.	To approve the auditors' remuneration for the year ended 29 February 2016			
11.	To appoint auditors for the year ending February 2017			
12.	Determine number of Trustees			



13.	To elect the Trustees:  _____  _____  _____  _____			
15.	To accept the schedule of insurance cover			
16.	To accept the levy budget for the year ending 28 February 2017			
17.	Determine interest rate on arrear levies			
18.	SPECIAL RESOLUTION: Approval of Trustees Remuneration			

(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"/> D D M M Y Y Y Y
--	--

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 Y Y Y
--	--

**DOMICILIUM**

KNYSNA RIVER CLUB HOME OWNERS ASSOCIATION  
c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD  
1 CROMPTON STREET  
PINETOWN  
3610

**POSTAL ADDRESS**

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

**NOTE:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Home Owners Association.
2. Proxy forms, duly completed, should be returned so as to reach the registered office of the Home Owners Association not less than **48 (forty-eight)** hours before the appointed time of the meeting.