



ROYAL PALM



**ROYAL PALM BODY CORPORATE  
SCHEME NO.SS 441/2007**

**AGM: 25 AUGUST 2017**  
**ANNUAL REPORT: FEBRUARY 2017**



Managed by First Group  
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[www.firstgroup-sa.co.za](http://www.firstgroup-sa.co.za)

# **BODY CORPORATE OF ROYAL PALM**

(SCHEME No. SS 441/2007)

## **TRUSTEES**

Messrs        P Edmunds (Chairman)  
                 MN Ali  
                 TW Hancock  
                 I Kolia  
                 CJ Watkins

## **MANAGING AGENTS**

First Group (Pty) Ltd  
1 Crompton Street  
PINETOWN  
3610  
Tel: (031) 717 7593  
e-mail: [info@firstresorts.co.za](mailto:info@firstresorts.co.za)

P.O. Box 1287  
PINETOWN  
3600  
Fax: (086) 567 3910

## **AUDITORS**

Harel Davidson Inc  
7 Canford Park  
54 Anthony Road  
DURBAN NORTH

## **BANKERS**

Nedbank  
UMHLANGA

**REGISTERED** with Community Scheme Ombud Service (CSOS)

# BODY CORPORATE OF ROYAL PALM

(SCHEME No. SS 441/2007)

Trustees: P Edmunds, I Kolia, MN Ali, CJ Watkins, TW Hancock

11 August 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 ROYAL PALM WILL TAKE PLACE ON:

DATE: FRIDAY, 25<sup>th</sup> AUGUST 2017

VENUE: CONFERENCE CENTRE  
ROYAL PALM HOTEL  
8 PALM BOULEVARD  
UMHLANGA RIDGE, KWAZULU NATAL

TIME: 08h30



**T Spencer**  
Director: Hotels  
FIRST GROUP (PTY) LTD



P O Box 1287, Pinetown, 3600  
Tel : 00 27 31 7177593  
Fax : 00 86 567 3910  
E-mail : [tspencer@firstgroup-sa.co.za](mailto:tspencer@firstgroup-sa.co.za)

## **BODY CORPORATE OF ROYAL PALM**

(Scheme No. SS 441/2007)

### **INDEX**

For your information we enclose the following documents:

	PAGE NO
1. Agenda and General Information	01 - 05
2. Minutes of the Annual General Meeting held on 27 June 2016	06 - 08
3. Trustees Report	09
4. Insurance Cover Schedule	10
5. Budget for the year ending 31 December 2017	11 - 16
6. 10-Year Maintenance and Replacement Plan	17
7. Audited Financial Statements for the year ended 28 February 2017	18 - 30
8. Form of Proxy	31 - 32
9. Notes: Appointment and acceptance of Proxy	33
10. Trustees Nomination Form	34
11. Credit Card Form	35
12. Member Information Form	36



11 August 2017

DEAR MEMBER

**THE BODY CORPORATE OF ROYAL PALM**  
**ANNUAL GENERAL MEETING**

I write to you on behalf of The Body Corporate of Royal Palm.

I enclose the Notice of the Annual General Meeting to be held on Friday, 25<sup>th</sup> August 2017 at 08h30 at Royal Palm Hotel, Palm Boulevard, Umhlanga Rocks, KwaZulu Natal.

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](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 Ann Downward on (031) 717 7593 or [annd@firstgroup-sa.co.za](mailto:annd@firstgroup-sa.co.za)

Yours faithfully

**T Spencer**  
**Director: Hotels**  
**FIRST GROUP (PTY) LTD**

**THE BODY CORPORATE OF ROYAL PALM**  
(SCHEME No. SS 441/20017)

**NOTICE** is hereby given that the Annual General Meeting of Members of The Body Corporate of Royal Palm will be held on Friday, 25<sup>th</sup> August 2017 at 08h30 at Royal Palm Hotel, Palm Boulevard, Umhlanga Ridge, Kwa-Zulu Natal

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**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 27<sup>th</sup> June 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 February 2017
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: T Spencer

Pinetown, 11 August 2017

# **BODY CORPORATE OF ROYAL PALM**

**(Registration No SS441/2007)**

## **MINUTES OF THE ANNUAL GENERAL MEETING**

**HELD AT GATEWAY HOTEL CONFERENCE CENTRE, UMDONI 3, UMHLANGA ROCKS  
ON MONDAY, 27 JUNE 2016 AT 10H00**

### **TRUSTEES PRESENT**

Mr N Alli  
Mr P Edmunds In the Chair  
Mr T Hancock  
Mr I Kolia  
Mr C Watkins

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

### **IN ATTENDANCE**

Representing First Resorts and Hotel Management (Pty) Ltd

Mr T Spencer  
Mr W Bester  
Ms F Lingard

#### **1. WELCOME**

Mr T Spencer 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**

No apologies were recorded.

The Managing Agent tabled 7 proxies totalling 43,848% of the participation quota, which had been received within the prescribed time. It was calculated that with the proxies and owners in person, the representative participation quota was 43,006%.

#### **4. TO ESTABLISH A QUORUM**

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

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

Mr P Edmunds, Chairman of the Body Corporate, was appointed to chair the meeting. Mr P Edmunds welcomed all to the meeting.

#### **6. PRESENTATION OF MINUTES OF ANNUAL GENERAL MEETING HELD ON 19 AUGUST 2015**

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

##### Resolved that:

The Minutes of the Annual General Meeting of the Body Corporate held on 19 August 2015 be, and are hereby, accepted.

#### **7. PRESENTATION OF THE CHAIRMAN'S REPORT**

It was unanimously agreed that the Chairman's report, having been circulated, was read through by the Chairman. No queries were raised.

#### **8. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS IN RESPECT OF THE YEAR ENDED 29 FEBRUARY 2016, IN TERMS OF MANAGEMENT RULES 37 AND 38 OF THE ACT**

The Chairman introduced Mr T Hancock who would be presenting the financial statements. Mr T Hancock stated that the Trustees were given a mandate to consolidate and reduce costs and he was happy to advise that there would be no increase in levies. Mr T Hancock mentioned that costs were consolidated between

the hotel (which is a 24-hour operation) and the body corporate which no longer has employees. The result being that the an amount of R645,387 was transferred to reserves as opposed to the budgeted amount of R223,958.

**Ordinary Resolution No. 2**

Resolved that:

The Audited Financial Statements, together with the reports of the Trustees and the independent Auditors, Harel Davidson Inc., in respect of the year ended 29 February 2016 be, and are hereby, accepted.

**9. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR ENDING 28 FEBRUARY 2017**

**Ordinary Resolution No. 3**

Resolved that:

Harel Davidson Inc. be appointed to serve as the Auditors of the Body Corporate for the financial year ending 28 February 2017.

**APPROVAL OF AUDITOR'S REMUNERATION**

**Ordinary Resolution No. 4**

Resolved that:

Payment of the Auditor's remuneration in the sum of R28,733 be, and is hereby, approved.

**10. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE (LEVY BUDGET) FOR THE YEAR ENDING 28 FEBRUARY 2017 AS REFERRED TO IN MANAGEMENT RULE 36 OF THE ACT**

**Ordinary Resolution No 5**

Mr T Hancock pointed out that no increase in levies was raised.

Resolved that

The estimate of income and expenditure for the year ending 28 February 2017 be, and is hereby, accepted subject to the inclusion of an amount up to R150,000 for the costs of installing a borehole on the property, if so required by the Trustees.

**11. 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 6**

Resolved that:

The Schedule of Insurance Values be, and is hereby, accepted.

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

**Ordinary Resolution No. 7**

Mr T Hancock and Mr C Watkins proposed the number be raised to six considering that the Hotel has taken over a number of functions from the Body Corporate relating to maintenance, cleaning and security and the nomination of an additional Trustee would provide a direct link between the Body Corporate and the Hotel run by AHA Hotel Group.

Resolved that

Six (6) Trustees be elected to serve on the Board of the Body Corporate.

**13. ELECTION OF TRUSTEES**

Nominations had been received for Mr N Alli, Mr P Edmunds, Mr I Kolia, Mr C Watkins, Mr T Hancock and Mr E J Hiltemann.

**Ordinary Resolution No. 8**

Resolved that:

The Trustees for the forthcoming year will be Mr N Alli, Mr P Edmunds, Mr I Kolia, Mr C Watkins, Mr T Hancock and Mr E J Hiltemann as Trustees of the Body Corporate be passed on a single resolution.

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

**Ordinary Resolution No. 9**



Resolved that

A restriction be imposed for items outside of the budget that exceed R100,000 in value.

**15. TO DETERMINE THE *DOMICILIUM CITANDI ET EXECUTANDI* OF THE BODY CORPORATE  
Ordinary Resolution No 10**

Resolved that:

The *Domicilium citandi et executandi* of the Body Corporate be fixed at the following address:

**PHYSICAL ADDRESS**

6 Palm Boulevard  
New Town Centre  
Umhlanga Ridge  
4320

**POSTAL ADDRESS (c/o FIRST RESORTS)**

P O Box 1287  
Pinetown  
3600

**16. 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.

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

The following items were highlighted:

- NMA informed the meeting that in an attempt at further containing costs, the Board was investigating the possibility of sinking a borehole on the property. The Board was in the process of obtaining quotes.
- CW advised that the Hotel had embarked on installing a fibre optic cable onto its property and were in the process of obtaining quotations. The offer was extended to the Body Corporate should they wish to participate in the project as it would assist the building in securing one centralised source. PE informed the meeting that Vodacom had already installed fibre optic in the precinct and had sent out a message to say that they could install Wi-fi if the building required this. Mr Hiltemann agreed to take the matter further with Vodacom.

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

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

\_\_\_\_\_  
CHAIRMAN

## **Chairman's Report: 2017**

### **SHORT AND SWEET**

Once again I am happy to report that the past year has been relatively uneventful and all Body Corporate matters have been managed Professionally and efficiently by Tim Spencer and his team at First Resorts and the ever present, ever vigilant Mary who runs the Hotel and building with the dedication needed to contend with the daily challenges of a mixed use building. Thank you Tim and Mary.

My fellow Trustees, as always have been diligent in their duties ensuring the good governance of the building and the financial statements will bear witness to this. Thank you gentlemen.

Chris Watkins has spent time and energy overseeing the never ending maintenance of the building and Royal Palm is in good shape. Thank you to Chris and the maintenance team.

As already mentioned, due to the effective team work of all involved, the BC is in a sound financial position and with continued active management should remain so for the foreseeable future. Tom Hancock will be delighted to go through the financials with you.

The one area of concern is the security of the building. As a mixed use building, we need to ensure the safety of the hotel guests and staff, as well as the office and retail employees and visitors to the building and the large parking area. The security at present is adequate but not entirely effective. As the Gateway area grows and more people start to work and live here, the security will have to be upgraded to effectively patrol the property. As an ongoing and very important matter that needs to be looked at in the near future, your board are in the process of looking at some additional measures to lock down the building in the evening periods.

On a personal note, it has been a pleasure working with my fellow Trustees this last year and I am very proud of Royal Palm as one of the A-grade buildings in this node.

Thank you to everybody that has contributed to the success of the past year.

Best Regards,

**Peter Edmunds**  
**Chairman 2017**

**BODY CORPORATE OF ROYAL PALM**  
**INSURANCE COVER SCHEDULE**

**INSURED : BODY CORPORATE OF ROYAL PALM**  
**INSURER : PETER CHRISTIE INSURANCE BROKERS cc**  
**PERIOD: 01/04/2017 - 01/01/2018**

INSURANCE POLICY NUMBER:			ROYAL005/0018	ROYAL005/0002	ROYAL006/0001
			Bidvest Insurance	New National	Camargue
Section	Size	PQ	Owner	Sum Insured	Sum Insured
			<u>Builligs Combined</u>		
1	357	2,68%	Calypso Property Investments (Pty) Ltd	R 8 040 000	
2	125	0,94%	Calypso Property Investments (Pty) Ltd	R 2 820 000	
3	105	0,79%	Calypso Property Investments (Pty) Ltd	R 2 370 000	
4	82	0,60%	Gateway Royal Palm (Pty) Ltd	R 1 800 000	
5	325	2,44%	Wali Trust Trustees	R 7 320 000	
6	367	2,75%	Kaulika Investments	R 8 250 000	
7	221	1,66%	Pawdoc Investments CC	R 4 980 000	
8	167	1,25%	Gateway Royal Palm (Pty) Ltd (Restaurant)	R 3 750 000	
9	168	1,26%	Gateway Royal Palm (Pty) Ltd (Restaurant)	R 3 780 000	
10	221	1,66%	Gateway Royal Palm (Pty) Ltd (Conference Centre)	R 4 980 000	
11	146	1,09%	The Ashok & Nishani Family Trust (Spa)	R 3 270 000	
12	71	0,53%	The Anand Nepaul Trust	R 1 590 000	
13	87	0,65%	Gateway Royal Palm (Pty) Ltd	R 1 950 000	
217	272	2,04%	Grilson Properties	R 6 120 000	
218	249	1,87%	Royal Palm Property Holdings	R 5 610 000	
219	251	1,88%	Worldco Investments Proprietary Ltd	R 5 640 000	
220	276	2,07%	Abhir Dayaram Trust	R 6 210 000	
317	272	2,04%	Calypso Property Investments	R 6 120 000	
318	249	1,87%	Basfour 3153 (Pty) Ltd	R 5 610 000	
319	251	1,88%	Blue Ruby Family Trust	R 5 640 000	
320	284	2,13%	Edmunds Properties and Projects	R 6 390 000	
417	274	2,05%	Autumn Storm Investments 267	R 6 150 000	
418	249	1,87%	Gateway 4B Investments (Pty) Ltd	R 5 610 000	
419	250	1,87%	Gateway 4B Investments (Pty) Ltd	R 5 610 000	
420	285	2,14%	Leo Financial Management Services CC	R 6 420 000	
	7738	57,99%	Residential / Accomodation	R 173 970 000	
			Glass	R 500 000	
			Business All Risk	R 50 000	
			Fire	R 35 000 000	
			Office Contents	R 70 000	
			Money	R 75 000	
			Electronic Equipment	R 970 000	
			Broadform Liability Section - Body Corporate & Royal Palm Asset Management		R 20 000 000
<b>TOTAL</b>	<b>13342</b>	<b>100,00%</b>		<b>R 300 550 000</b>	<b>R 20 000 000</b>
<b>Premium Per Month INCL VAT</b>				<b>R 19 672</b>	<b>R 495</b>

**BODY CORPORATE OF ROYAL PALM**  
**BUDGET FOR THE YEAR ENDING: 28 FEBRUARY 2018**  
**(SCHEME NO.SS 441/2007)**

	Sch	Feb 2018 BUDGET	Feb 2017 BUDGET	Feb 2017 AUDITED
<i>Levy Increase</i>		0%	0%	
<b>LEVIES</b>				
LEVY INCOME	A	3 875 920	3 875 926	3 875 284
FOYER RENTAL	A	118 968	118 968	97 772
<b>NETT LEVY INCOME</b>	A	<b>3 994 888</b>	<b>3 994 894</b>	<b>3 973 056</b>
<b>SUNDRY INCOME</b>	B			
Interest Receivable	B	9 500	9 000	42 825
Rental Income	B	-	-	-
Sundry Income	B	518 000	491 425	528 569
<b>TOTAL INCOME</b>		<b>4 522 388</b>	<b>4 495 319</b>	<b>4 544 450</b>
<b>EXPENDITURE</b>		<b>4 286 059</b>	<b>3 932 971</b>	<b>3 570 353</b>
Administration and Office Expenses	C	86 205	99 413	49 108
Umhlanga Ridge Town Centre	D	216 350	201 834	202 190
Cleaning Contracts and Expenses	E	255 865	245 451	256 417
Property maintenance, utilities and security	F	3 523 612	3 197 356	2 873 722
Management fee	G	163 827	151 694	151 692
Accounting, administrative and direct expenses	G	40 200	37 223	37 224
<b>NET SURPLUS BEFORE:</b>		<b>236 329</b>	<b>562 348</b>	<b>974 097</b>
Minus: Taxation - R50,000 exempt		-	-	9 772
Minus: Transfer to Future Reserve Fund	H	236 329	562 348	964 324
<b>LEVY SURPLUS for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>REPLACEMENT RESERVE:</b>				
Opening reserves		1 743 834	957 552	957 552
Transfer to/(from) reserves		236 329	562 348	964 324
Refurbishment Expenses		-	-	-178 040
Closing balance of reserves		<b>1 980 163</b>	<b>1 519 900</b>	<b>1 743 834</b>

**Breakdown of 2018 Refurbishment Reserve Fund**

	Refurbishment Fund	Administrative Fund	Total Reserves
<b>Opening Balance</b>	-	<b>1 743 834</b>	<b>1 743 834</b>
Levies Raised	427 156	3 448 764	3 875 920
Other Income	-	646 468	646 468
Expenditure	-	-4 286 059	-4 286 059
Refurbishment Expenditure	-	-	-
Closing Balance	<b>427 156</b>	<b>1 553 007</b>	<b>1 980 163</b>

**BODY CORPORATE OF ROYAL PALM**  
**BUDGET FOR THE YEAR ENDING: 28 FEBRUARY 2018**  
**(SCHEME NO.SS 441/2007)**

**SCHEDULE "A" - LEVY INCOME**

Levies - Commercial  
 Levies - Residential  
 Levies - Parking bays  
 Foyer Rental

BUDGET Feb 2018	BUDGET Feb 2017	AUDITED Feb 2017
1 490 828	1 490 828	1 490 858
2 057 454	2 057 460	2 057 626
327 638	327 638	326 800
118 968	118 968	97 772
<b>3 994 888</b>	<b>3 994 894</b>	<b>3 973 056</b>

**SCHEDULE "B" - SUNDRY INCOME**

Interest earned  
 Rental Income  
 Electricity, Water, Sewerage & Admin Fee Recoveries

9 500	9 000	42 825
-	-	-
518 000	491 425	528 569
<b>527 500</b>	<b>500 425</b>	<b>571 394</b>

**SCHEDULE "C" - ADMINISTRATION AND OFFICE EXPENSES**

Advertising  
 AGM costs  
 Audit fees  
 Bank and credit card charges  
 Interest paid  
 Legal Expenses  
 Computer expenses  
 Printing & stationery  
 Postage & courier  
 Subscriptions  
 Trustees Expenses

8 000	8 000	-
6 153	10 475	-
31 400	40 545	25 881
19 499	20 443	17 060
-	-	2 327
15 000	15 000	1 053
3 452	2 250	1 645
-	-	-
700	700	142
-	-	1 000
2 000	2 000	-
<b>86 205</b>	<b>99 413</b>	<b>49 108</b>

**SCHEDULE "D" - UMHLANGA RIDGE TOWN CENTRE**

Umhlanga Ridge Town Centre Management Association Levy

216 350	201 834	202 190
<b>216 350</b>	<b>201 834</b>	<b>202 190</b>

**SCHEDULE "E" - CLEANING CONTRACT AND EXPENSES**

Public Area Cleaning  
 Pest control

219 085	211 140	222 856
36 780	34 311	33 561
<b>255 865</b>	<b>245 451</b>	<b>256 417</b>

**SCHEDULE "F" - PROPERTY MAINTENANCE, UTILITIES & SECURITY**

Diesel  
 Travelling  
 Storeroom Rental  
 Telephone Expenses  
 Electricity  
 Insurance  
 Refuse & sewerage  
 Repairs & maintenance - Property  
 Repairs & maintenance - Gardens  
 Lift Maintenance  
 Cameras  
 Water  
 Security

40 000	40 000	27 753
2 700	2 700	2 590
-	-	-
-	650	-
1 456 000	1 310 000	907 406
166 205	173 760	170 651
126 800	149 618	190 533
611 727	400 420	534 491
-	-	-
154 070	159 862	130 356
-	-	-
440 000	410 000	391 750
526 110	550 346	518 192
<b>3 523 612</b>	<b>3 197 356</b>	<b>2 873 722</b>

**BODY CORPORATE OF ROYAL PALM**  
**BUDGET FOR THE YEAR ENDING: 28 FEBRUARY 2018**  
**(SCHEME NO.SS 441/2007)**

**SCHEDULE "G" - MANAGEMENT FEE**

First Resorts Management  
Accounting, administrative and direct expenses

BUDGET FEB 2018	BUDGET FEB 2017	AUDITED FEB 2017
163 827	151 694	151 692
40 200	37 223	37 224
204 027	188 917	188 916

**SCHEDULE "H" - FUTURE RESERVE FUND**

Surplus / (Deficit) transferred to / (from) Future Reserve Fund

236 329	562 348	964 325
236 329	562 348	964 325

## BODY CORPORATE OF ROYAL PALM

(SCHEME NO.SS 441/2007)

## CALCULATION OF PARTICIPATION QUOTA

AND LEVIES FOR THE YEAR ENDED 28 FEBRUARY 2018

LEVY INCREASE: 0%

0%

SECTION NO	PQ	FLOOR AREA m <sup>2</sup>	Feb-18 LEVIES PER ANNUM INCL VAT	Feb-18 LEVIES MONTH INCL VAT	MONTHLY CSOS LEVY 2018	Feb-17 LEVIES PER ANNUM INCL VAT	Feb-17 LEVIES MONTH INCL VAT
201	0,7720%	103	31 221	2 602	40	31 221	2 602
202	0,3823%	51	15 448	1 287	16	15 448	1 287
203	0,4872%	65	19 712	1 643	23	19 712	1 643
204	0,4872%	65	19 712	1 643	23	19 712	1 643
205	0,4872%	65	19 712	1 643	23	19 712	1 643
206	0,4872%	65	19 712	1 643	23	19 712	1 643
207	0,4872%	65	19 712	1 643	23	19 712	1 643
208	0,4872%	65	19 712	1 643	23	19 712	1 643
209	0,4872%	65	19 712	1 643	23	19 712	1 643
210	0,4872%	65	19 712	1 643	23	19 712	1 643
211	0,4872%	65	19 712	1 643	23	19 712	1 643
212	0,4872%	65	19 712	1 643	23	19 712	1 643
213	0,4872%	65	19 712	1 643	23	19 712	1 643
214	0,4872%	65	19 712	1 643	23	19 712	1 643
215	0,3823%	51	15 448	1 287	16	15 448	1 287
216	0,7720%	103	31 221	2 602	40	31 221	2 602
301	0,7645%	102	30 897	2 575	40	30 897	2 575
302	0,3823%	51	15 448	1 287	16	15 448	1 287
303	0,4947%	66	19 971	1 664	23	19 971	1 664
304	0,4722%	63	19 155	1 596	22	19 155	1 596
305	0,4722%	63	19 155	1 596	22	19 155	1 596
306	0,4947%	66	19 971	1 664	23	19 971	1 664
307	0,4797%	64	19 388	1 616	22	19 388	1 616
308	0,4797%	64	19 388	1 616	22	19 388	1 616
309	0,4797%	64	19 388	1 616	22	19 388	1 616
310	0,4797%	64	19 388	1 616	22	19 388	1 616
311	0,4947%	66	19 971	1 664	23	19 971	1 664
312	0,4722%	63	19 155	1 596	22	19 155	1 596
313	0,4722%	63	19 155	1 596	22	19 155	1 596
314	0,4947%	66	19 971	1 664	23	19 971	1 664
315	0,3823%	51	15 448	1 287	16	15 448	1 287
316	0,7645%	102	30 897	2 575	40	30 897	2 575
401	0,7720%	103	31 221	2 602	40	31 221	2 602
402	0,3897%	52	15 772	1 314	16	15 772	1 314
403	0,5022%	67	20 282	1 690	24	20 282	1 690
404	0,4947%	66	19 971	1 664	23	19 971	1 664
405	0,4947%	66	19 971	1 664	23	19 971	1 664
406	0,5022%	67	20 282	1 690	24	20 282	1 690
407	0,4872%	65	19 712	1 643	23	19 712	1 643
408	0,4872%	65	19 712	1 643	23	19 712	1 643
409	0,4872%	65	19 712	1 643	23	19 712	1 643
410	0,4872%	65	19 712	1 643	23	19 712	1 643
411	0,5022%	67	20 282	1 690	24	20 282	1 690
412	0,4947%	66	19 971	1 664	23	19 971	1 664
413	0,4947%	66	19 971	1 664	23	19 971	1 664
414	0,5022%	67	20 282	1 690	24	20 282	1 690
415	0,3897%	52	15 772	1 314	16	15 772	1 314
416	0,7720%	103	31 221	2 602	40	31 221	2 602
501	0,7720%	103	31 221	2 602	40	31 221	2 602
502	0,3897%	52	15 772	1 314	16	15 772	1 314
503	0,5022%	67	20 282	1 690	24	20 282	1 690
504	0,4947%	66	19 971	1 664	23	19 971	1 664
505	0,4947%	66	19 971	1 664	23	19 971	1 664
506	0,5022%	67	20 282	1 690	24	20 282	1 690
507	0,4872%	65	19 712	1 643	23	19 712	1 643
508	0,4872%	65	19 712	1 643	23	19 712	1 643

## BODY CORPORATE OF ROYAL PALM

(SCHEME NO.SS 441/2007)

## CALCULATION OF PARTICIPATION QUOTA

AND LEVIES FOR THE YEAR ENDED 28 FEBRUARY 2018

LEVY INCREASE: 0%

0%

SECTION NO	PQ	FLOOR AREA m <sup>2</sup>	Feb-18 LEVIES PER ANNUM INCL VAT	Feb-18 LEVIES MONTH INCL VAT	MONTHLY CSOS LEVY 2018	Feb-17 LEVIES PER ANNUM INCL VAT	Feb-17 LEVIES MONTH INCL VAT
509	0,4872%	65	19 712	1 643	23	19 712	1 643
510	0,4872%	65	19 712	1 643	23	19 712	1 643
511	0,5022%	67	20 282	1 690	24	20 282	1 690
512	0,4947%	66	19 971	1 664	23	19 971	1 664
513	0,4947%	66	19 971	1 664	23	19 971	1 664
514	0,5022%	67	20 282	1 690	24	20 282	1 690
515	0,3897%	52	15 772	1 314	16	15 772	1 314
516	0,7720%	103	31 221	2 602	40	31 221	2 602
517	1,0343%	138	41 848	3 487	40	41 848	3 487
518	0,9744%	130	39 437	3 286	40	39 437	3 286
519	1,5440%	206	62 454	5 205	40	62 454	5 205
520	1,5740%	210	63 569	5 297	40	63 569	5 297
521	1,5215%	203	61 560	5 130	40	61 560	5 130
522	0,9144%	122	37 014	3 084	40	37 014	3 084
523	0,9144%	122	37 014	3 084	40	37 014	3 084
524	0,9144%	122	37 014	3 084	40	37 014	3 084
525	0,9144%	122	37 014	3 084	40	37 014	3 084
526	1,5440%	206	62 454	5 205	40	62 454	5 205
527	1,5740%	210	63 569	5 297	40	63 569	5 297
528	1,5440%	206	62 454	5 205	40	62 454	5 205
529	0,9744%	130	39 437	3 286	40	39 437	3 286
530	1,0343%	138	41 848	3 487	40	41 848	3 487
601	0,5884%	78,5	23 820	1 985	30	23 820	1 985
601	0,5884%	78,5	23 824	1 985	30	23 824	1 985
603	0,4797%	64	19 391	1 616	22	19 391	1 616
604	0,5172%	69	20 934	1 744	25	20 934	1 744
605	0,5172%	69	20 934	1 744	25	20 934	1 744
606	0,4797%	64	19 391	1 616	22	19 391	1 616
607	0,4872%	65	19 715	1 643	23	19 715	1 643
608	0,4872%	65	19 715	1 643	23	19 715	1 643
609	0,4872%	65	19 715	1 643	23	19 715	1 643
610	0,4872%	65	19 715	1 643	23	19 715	1 643
611	0,4797%	64	19 391	1 616	22	19 391	1 616
612	0,5172%	69	20 934	1 744	25	20 934	1 744
613	0,5172%	69	20 934	1 744	25	20 934	1 744
614	0,4797%	64	19 391	1 616	22	19 391	1 616
615	0,3823%	51	15 452	1 288	16	15 452	1 288
616	0,7720%	103	31 224	2 602	40	31 224	2 602
217	2,0387%	272	82 490	6 874	40	82 490	6 874
218	1,8663%	249	75 492	6 291	40	75 492	6 291
219	1,8813%	251	76 140	6 345	40	76 140	6 345
220	2,0687%	276	83 696	6 975	40	83 696	6 975
317	2,0387%	272	82 490	6 874	40	82 490	6 874
318	1,8663%	249	75 492	6 291	40	75 492	6 291
319	1,8813%	251	76 140	6 345	40	76 140	6 345
320	2,1286%	284	86 106	7 176	40	86 106	7 176
417	2,0537%	274	83 061	6 922	40	83 061	6 922
418	1,8663%	249	75 492	6 291	40	75 492	6 291
419	1,8738%	250	75 816	6 318	40	75 816	6 318
420	2,1361%	285	86 430	7 203	40	86 430	7 203
4	0,5996%	80	24 313	2 026	31	24 313	2 026
12	0,6521%	87	21 565	1 797	26	21 565	1 797
13	0,5322%	71	26 400	2 200	34	26 400	2 200
1	2,6758%	357	108 255	9 021	40	108 255	9 021
2	0,9444%	126	38 232	3 186	40	38 232	3 186
3	0,7945%	106	32 193	2 683	40	32 193	2 683
5	2,4359%	325	98 509	8 209	40	98 509	8 209



BODY CORPORATE OF ROYAL PALM  
 (SCHEME NO.SS 441/2007)  
 CALCULATION OF PARTICIPATION QUOTA  
 AND LEVIES FOR THE YEAR ENDED 28 FEBRUARY 2018

LEVY INCREASE: 0%

0%

SECTION NO	PQ	FLOOR AREA m <sup>2</sup>	Feb-18 LEVIES PER ANNUM INCL VAT	Feb-18 LEVIES MONTH INCL VAT	MONTHLY CSOS LEVY 2018	Feb-17 LEVIES PER ANNUM INCL VAT	Feb-17 LEVIES MONTH INCL VAT
6	2,7507%	367	111 300	9 275	40	111 300	9 275
7	1,6564%	221	67 045	5 587	40	67 045	5 587
8	1,2517%	167	50 638	4 220	40	50 638	4 220
9	1,2592%	168	50 949	4 246	40	50 949	4 246
10	1,6564%	221	67 045	5 587	40	67 045	5 587
11	1,0943%	146	44 262	3 688	40	44 262	3 688
	100%	13 342	4 045 049	337 087	3 478	4 045 049	337 087

## Body Corporate 10 Yr Capex forecast

Page 17 of 36

**BODY CORPORATE OF ROYAL PALM  
(BUILDING NUMBER SS 441/2007)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2017**

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**CONTENTS**

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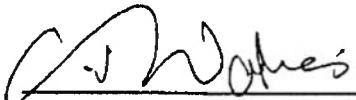
The reports and statements set out below comprise the financial statements presented to the members:


<b>CONTENTS</b>	<b>PAGE</b>
Independent Auditor's Report	2 - 3
Trustees' Report	4
Statement of Financial Position	5
Levy Statement	6
Statement of Changes in Reserves	7
Statement of Cash Flows	8
Accounting Policies	9
Notes to the Financial statements	10 - 11

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

Detailed Levy Statement	12
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The financial statements set out on pages 4 to 12, which have been prepared on the historical cost basis, were approved by the trustees and are signed by:

  
Trustee

  
Trustee



## INDEPENDENT AUDITOR'S REPORT

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### TO THE MEMBERS OF BODY CORPORATE OF ROYAL PALM

#### Opinion

We have audited the financial statements of Body Corporate of Royal Palm set out on pages 5 to 11, which comprise the statement of financial position as at 28 February 2017, and the levy statement, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Body Corporate of Royal Palm as at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as set out in the accounting policies, and the requirements of the Sectional Titles Schemes Management Act, 2011

As per Sectional Titles Schemes Management Act, 2011, the body corporate has complied with the accounting requirements set out in rules 21, 24 and 26; the books of account of the body corporate have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud; and the financial affairs of the body corporate appear to be effectively managed.

#### 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 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.

#### Other information

The trustees are responsible for the other information. The other information comprises the trustees' report as required by the Sectional Titles Schemes Management Act, 2011, which we obtained prior to the date of this report. Other Information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT**

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### **Responsibilities of the trustees for the financial statements**

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting as set out in the accounting policies, and the requirements of the Sectional Titles Schemes Management Act, 2011 and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.



**Harel Davidson Incorporated**  
**M. T. D. Harel**  
**04 July 2017**

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017  
TRUSTEES' REPORT**

---

The trustees submit their report for the year ended 28 February 2017.

**1. REVIEW OF ACTIVITIES**

**Main business and operations**

The body corporate is the controlling body of the property known as "Royal Palm", situated 6 Palm Boulevard, New Town Centre, Umhlanga Ridge, 4320. They are responsible for the collection of levies from 12 offices, 12 shops and 94 hotel rooms.

In terms of the Sectional Titles Schemes Management Act, 2011 the maintenance and management of the building and common property as provided for in the Act and the Rules prescribed thereby, or made thereunder, is under the control of the trustees.

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

**2. CONTRIBUTIONS**

Contributions paid by sections owners and interest earned during the year were sufficient to meet expenditure, resulting in a levy surplus of R 964 324 (2016: R 657 071).

**3. TRUSTEES**

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

Name	
P. Edmunds	Chairman
N. Alli	
T. Hancock	
E. J. Hiltemann	
I. Kolia	
C. Watkins	

**4. MANAGING AGENT**

The managing agent of the body corporate is First Resorts and Hotel Management Proprietary Limited of:

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

**5. AUDITORS**

Harel Davidson Incorporated will continue in office for the next financial period.

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**STATEMENT OF FINANCIAL POSITION**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Loans receivable	2	9 546	9 546
<b>CURRENT ASSETS</b>			
Inventories		11 412	15 869
Accounts and other receivables	4	884 602	1 256 633
Current tax receivable		-	5 644
Cash and cash equivalents		576 211	90 035
Levies receivable	5	527 483	244 687
		<b>1 999 708</b>	<b>1 612 868</b>
<b>Total Assets</b>		<b>2 009 254</b>	<b>1 622 414</b>
<b>RESERVES AND LIABILITIES</b>			
<b>OWNERS' FUNDS AND RESERVES</b>			
Future reserve fund		1 743 835	957 551
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loan payable	3	-	91 459
<b>CURRENT LIABILITIES</b>			
Accounts and other payables		229 997	526 206
Current tax payable		7 657	-
Levies received in advance		27 765	47 198
		<b>265 419</b>	<b>573 404</b>
<b>Total Liabilities</b>		<b>265 419</b>	<b>664 863</b>
<b>Total Reserves and Liabilities</b>		<b>2 009 254</b>	<b>1 622 414</b>



**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**LEVY STATEMENT**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2017</b>	<b>2016</b>
<b>REVENUE</b>			
Levies Raised		3 875 284	3 873 766
<b>Other income</b>			
Rental income		97 772	94 648
Interest received	6	42 824	11 224
		<b>140 596</b>	<b>105 872</b>
<b>Operating expenses</b>		<b>(3 039 457)</b>	<b>(3 311 752)</b>
<b>Operating surplus</b>		<b>976 423</b>	<b>667 886</b>
Finance costs		(2 327)	(10 815)
<b>Surplus before taxation</b>		<b>974 096</b>	<b>657 071</b>
Taxation	7	(9 772)	-
<b>Surplus for the year</b>		<b>964 324</b>	<b>657 071</b>

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**STATEMENT OF CHANGES IN RESERVES**

<b>Figures in Rand</b>	<b>Future reserve fund</b>	<b>Total reserves</b>
<b>Balance at 01 March 2015</b>	<b>312 164</b>	<b>312 164</b>
Changes in equity		
Levy surplus for the year	657 071	657 071
Refurbishment cost	(11 684)	(11 684)
Total changes	645 387	645 387
<b>Balance at 01 March 2016</b>	<b>957 551</b>	<b>957 551</b>
Changes in equity		
Levy surplus for the year	964 324	964 324
Refurbishment cost	(178 040)	(178 040)
Total changes	786 284	786 284
<b>Balance at 28 February 2017</b>	<b>1 743 835</b>	<b>1 743 835</b>

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017  
STATEMENT OF CASH FLOWS**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows generated from operating activities</b>			
Cash utilised in operations	8	533 609	7 109
Interest received		42 824	11 224
Finance costs		(2 327)	(10 815)
Tax received (paid)		3 529	(8 516)
<b>Net cash (utilised in) generated from operating activities</b>		<b>577 635</b>	<b>(998)</b>
<b>Cash flows from financing activities</b>			
Loan payable repaid		(91 459)	-
<b>Net cash from financing activities</b>		<b>(91 459)</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>486 176</b>	<b>(998)</b>
Cash at the beginning of the year		90 035	91 033
<b>Total cash at end of the year</b>		<b>576 211</b>	<b>90 035</b>

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017  
ACCOUNTING POLICIES**

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**1. PRESENTATION OF FINANCIAL STATEMENTS**

The annual financial statements have been prepared on the historical cost basis, which is consistent with prior years.

Equipment is written off against income on acquisition.

**1.1 FINANCIAL INSTRUMENTS**

**Financial instruments at amortised cost**

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amount of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

**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.

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

**1.3 REVENUE**

Levies are recognised as income once the owners have been invoiced.

Interest is recognised, in surplus or deficit, on time proportion basis using the effective interest rate method.

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Figures in Rand</b>	<b>2017</b>	<b>2016</b>
<b>2. LOAN RECEIVABLE</b>		
Gateway Royal Palm Proprietary Limited - shops and reception	9 546	9 546
<b>3. LOAN PAYABLE</b>		
Gateway Royal Palm Proprietary Limited	-	(91 459)
<b>4. ACCOUNTS AND OTHER RECEIVABLES</b>		
Electricity deposit	290 800	280 499
Gateway Royal Palm (Pty) Ltd	44 634	107 742
Mobile telephone network (MTN) - electricity recovery	9 628	30 787
Printing recovery	46 228	34 238
Royal Palm Asset Management - recoveries	143 033	536 894
VAT	48 127	64 933
Water prepayment	302 152	201 540
	<b>884 602</b>	<b>1 256 633</b>
<b>5. LEVIES RECEIVABLE</b>		
<b>Ageing of levies receivable</b>		
- Current	274 887	244 687
- 30 days	221 498	-
- 60 days	22 953	-
- 90 days	8 145	-
	<b>527 483</b>	<b>244 687</b>
<b>6. OTHER INCOME</b>		
Interest received - arrear levies	4 605	4 400
Interest received - bank accounts	30 592	6 824
Interest received - loans	7 627	-
	<b>42 824</b>	<b>11 224</b>
<b>7. TAXATION</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax - current period	11 186	-
Prior year over provision	(1 414)	-
	<b>9 772</b>	<b>-</b>

The body corporate is partially exempt from normal tax in terms of section 10(1)(e) of the Income Tax Act, and pays tax on any income other than levies, if in excess of R 50,000, less a proportion of certain expenses.

**BODY CORPORATE OF ROYAL PALM  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Figures in Rand</b>	<b>2017</b>	<b>2016</b>
<b>8. CASH (USED IN) GENERATED FROM OPERATIONS</b>		
Levy surplus/(deficit) before taxation	974 096	657 071
<b>Adjustments for:</b>		
Other income	(42 824)	(11 224)
Finance costs	2 327	10 815
Refurbishment reserve	(178 040)	(11 684)
<b>Changes in working capital:</b>		
Inventories	4 457	7 826
Accounts and other receivables	372 031	(415 854)
Levies receivable	(282 796)	(163 746)
Accounts and other payables	(296 209)	(78 676)
Levies received in advance	(19 433)	12 581
	<b>533 609</b>	<b>7 109</b>

**9. COMPARATIVE FIGURES**

There has been a reclassification of prior year reserve figures for disclosure purposes.

**10. INSURANCE**

Broker	:	Peter Christie Insurance Brokers CC
Underwriters	:	Bidvest Insurance
Policy number	:	ROYAL005/0018
Policy term	:	Monthly renewal
Expiry date	:	01 February 2018
Replacement value	:	R 300 000 000

DETAILED LEVY STATEMENT for the year ended 28 February 2017

	2017 ACTUAL R	2017 BUDGET R	2017 VARIANCE R	2016 ACTUAL R
<b>LEVIES RAISED</b>	<b>3 875 284</b>	<b>3 875 927</b>	<b>643</b>	<b>3 873 766</b>
Levies Raised	3 548 484	3 548 282	(202)	3 548 318
Parking bay recovery	326 800	327 645	845	325 448
<b>SUNDRY INCOME</b>	<b>140 596</b>	<b>127 968</b>	<b>12 628</b>	<b>105 871</b>
Interest Received on Arrear Levies	4 605	3 500	1 105	4 400
Interest Received on Bank Accounts	30 592	5 500	25 092	6 824
Interest Received on Ethekweni Deposit	7 627	-	7 627	-
Foyer Rental	97 772	118 968	(21 196)	94 648
<b>TOTAL INCOME</b>	<b>4 015 881</b>	<b>4 003 895</b>	<b>11 986</b>	<b>3 979 638</b>
<b>ADMINISTRATION COSTS</b>	<b>47 463</b>	<b>89 163</b>	<b>41 700</b>	<b>66 200</b>
AGM expenses - Venue hire	-	10 475	10 475	4 441
Audit fees	31 807	40 545	8 738	31 716
Audit fees- Prior year overprovision	(5 926)	-	5 926	(4 698)
Bank charges and credit comm.	17 060	20 443	3 383	17 055
Interest Paid	2 327	-	(2 327)	10 815
Legal expenses	1 053	15 000	13 947	4 696
Legal Fees Recoveries	-	-	-	(968)
Postage & courier	142	700	558	-
Subscriptions - CSOS Registration Fee	1 000	-	(1 000)	-
Store room rental	-	-	-	1 500
Trustees Travelling Disbursements	-	2 000	2 000	-
<b>ON SITE EXPENSES</b>	<b>222 856</b>	<b>211 140</b>	<b>(11 716)</b>	<b>256 834</b>
Public Area Cleaning Contract (Prestige)	222 856	211 140	(11 716)	256 834
<b>PROPERTY EXPENSES</b>	<b>1 982 509</b>	<b>2 464 645</b>	<b>482 136</b>	<b>2 304 196</b>
Water	391 750	410 000	18 250	380 455
Water Recovery - Individual water meters to be installed	(367 146)	(318 567)	48 579	(333 834)
Electricity	907 406	1 310 000	402 594	1 226 917
Electricity Recovery - MTN	(52 250)	(52 386)	(136)	(43 126)
Insurance	170 651	173 760	3 109	184 340
Lift maintenance	130 356	159 862	29 506	136 002
Refuse & sewerage	190 533	149 618	(40 915)	192 012
Sewerage Recovery- Based on Water Consumption	(109 173)	(120 472)	(11 299)	(162 417)
Security	518 192	550 346	32 154	531 348
Telephone Expense	-	650	650	750
Town Centre Levy	202 190	201 834	(356)	191 748
<b>REPAIRS AND MAINTENANCE</b>	<b>597 450</b>	<b>484 981</b>	<b>(112 469)</b>	<b>293 463</b>
Advertising & signage	-	8 000	8 000	11 228
Airconditioning	158 047	154 770	(3 277)	132 298
Building	294 029	148 500	(145 529)	64 903
Computer expenses	1 645	2 250	605	828
Diesel - Generator	27 753	40 000	12 247	23 213
Electrical/bulbs	39 103	37 400	(1 703)	1 972
Fire Equipment	-	14 850	14 850	(11 552)
Fire Safety Installation	-	-	-	5 235
Furniture and Fittings	601	-	(601)	2 368
General	4 218	35 000	30 782	9 084
Generator	38 492	9 900	(28 592)	22 413
Pest Control	33 561	34 311	750	31 473
<b>MANAGEMENT FEE</b>	<b>191 506</b>	<b>188 917</b>	<b>-2 589</b>	<b>137 904</b>
<b>STAFFING</b>	<b>-</b>	<b>2 700</b>	<b>2 700</b>	<b>263 970</b>
<b>TOTAL EXPENDITURE</b>	<b>3 041 783</b>	<b>3 441 546</b>	<b>399 763</b>	<b>3 322 567</b>
<b>LEVY SURPLUS (DEFICIT) BEFORE:</b>	<b>974 096</b>	<b>562 349</b>	<b>411 747</b>	<b>657 071</b>
REPLACEMENT EXPENSES BUILDING	-	-	-	-
TAXATION	9 772	-	(9 772)	-
TRANSFER TO (FROM) REFURBISHMENT RESERVE	964 324	562 350	(401 974)	657 071
<b>LEVY SURPLUS (DEFICIT) for the year transferred to reserve fund</b>	<b>-0</b>	<b>-</b>	<b>-0</b>	<b>-</b>

## 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 ROYAL PALM
SS Number / Year	SCHEME No. 441/2007

To: c/o FIRST GROUP (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>25/08/2017</b>
	All general meetings held before:	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> DDM M Y YYYY
	All general meetings until and including the body corporate's next annual general meeting	<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 YYYY

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 27 June 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 YYYY
--	---

*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"/> DD MM Y YYYY
--	---

*Please note that for administrative convenience, Proxy/ies should be submitted at least 48 hours before time of meeting.*

## NOTES TO NOTIFICATION, APPOINTMENT OF PROXY AND ACCEPTANCE OF MANDATE

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With reference to the provisions of the Sectional Titles Schemes Management Act, 2011 (the Act) and the Sectional Titles Schemes Management Regulations (the Regulations)

### In terms of the Act –

#### Section 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.

### In terms of the Regulations –

#### Management Rule 20

(1) (b) Except for special or unanimous resolutions the resolutions must be adopted by the majority of votes, *calculated in value*, of the members present and voting.

(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.

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.

**BODY CORPORATE OF ROYAL PALM  
SCHEME No. 441/2007**

**NOMINATION FORM**

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

Being a Member of the **BODY CORPORATE OF ROYAL PALM** 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. P Edmunds			
2. MN Ali			
3. TW Hancock			
4. I Kolia			
5. CJ Watkins			
6.			
7.			

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2017

**SIGNATURE OF MEMBER (PROPOSER)**

**NOTES:**

(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. For administration purposes, it would be appreciated if all proxies and/or nomination forms are submitted to the body corporate service address (First Group (Pty) Ltd) at its registered address, being 1 Crompton Street, 3610 or [annd@firstgroup-sa.co.za](mailto:annd@firstgroup-sa.co.za) at least 48 hours prior to the start of the meeting.

(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

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 1**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 2**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 3**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 4**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 5**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 6**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 7**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 8**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 9**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 10**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 11**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)

**BODY CORPORATE OF  
ROYAL PALM  
ANNUAL GENERAL MEETING  
25 AUGUST 2017**

**VOTING SLIP**

NAME: \_\_\_\_\_

SECTION NO.: \_\_\_\_\_

WEEK/S: \_\_\_\_\_

PQ VALUE: \_\_\_\_\_

**RESOLUTION 12**

FOR	AGAINST	ABSTAIN

(Please indicate vote by X in one of the above boxes)