

Sabie River Share Block Proprietary Limited

Registration No. 1963/003920/07



Annual Report

for the year ended 31 December 2020

Sabie River Share Block Proprietary Limited

Annual Financial Statements

for the year ended 31 December 2020

COMPANY INFORMATION

Registration number: 1963/003920/07
Registered address: Palazzo Towers West
Montecasino Boulevard
Fourways
2055
Postal address: Private Bag X200
Bryanston
2021

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

- Detailed Levy Fund Operating Statement - "A" and "C" Class Shareholders 25 - 26

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The annual financial statements have been audited as required by Section 30(2)(b)(1) of the South African Companies Act 71, of 2008. Mr Darren Park CA(SA), in his capacity as financial manager of Sabie River Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2020

2020 will be remembered for the impact of the Coronavirus (Covid-19) pandemic on the hospitality and tourism industry in general and Sabie River Sun was likewise impacted.

President Cyril Ramaphosa announced to the nation on 15 March 2020 that South Africa would need to take urgent and drastic measures to manage the disease, protect the people of South Africa and reduce the impact of the virus on our society. A national state of disaster was declared and along with many other businesses and organizations, the resort was officially closed at midnight, on 26 March 2020. The government-imposed lockdown continued well past the initial three-week period and our hospitality industry suffered a significant and detrimental impact. Local and international travel was cancelled and social distancing regulations were heightened which led to the cancellation of accommodation, conference and events bookings.

During the 5-month closure, a skeleton team led by, General Manager Mr Malcolm Bone was retained on-site to manage the daily operational requirements of maintaining the resort, including the cleaning of the 5 swimming pools as well as maintaining the sewerage treatment plant, water treatment plant and the recently refurbished back 9 holes of the golf course. This was a unique period in the history of the resort and we are grateful to Malcolm and his team for their sterling efforts in looking after our resort and ensuring its readiness to welcome back visitors and shareholders.

The ban on leisure travel and later inter-provincial travel was finally lifted and the resort was guided by Tsogo Sun in compliance with government-regulated health and safety protocols to eventually re-open on 21 August 2020. Sabie River Sun experienced an immediate influx of timesharers, as many left their home provinces for the first time since March, to escape to our beautiful resort.

Resort facilities

Unfortunately, due to numerous social distancing restrictions, many of our guest entertainment programmes were placed on hold. These included the bird walk, the owl show, the snake show, park run and the children's entertainment program. All activities have been re-introduced with the exception of the weekly park run event. The national park run committee is still in negotiations with government to safely re-introduce this much-loved event across South Africa. I am extremely pleased to share that a new children's playground has been built and has been in use since December 2020.

The much-anticipated upgrade of the golf course has been successfully completed and players have been able to enjoy a full game of 18-holes since 12 December 2020. The greens have been reshaped and redesigned for improved play with Champion 12 grass on the course and Barbados grass in the surrounds. This choice of grass planting is the same mix that is provided at Leopard Creek Country Club's golf course, where the Alfred Dunhill International Golf Tournament was recently hosted. We would like to thank Mr Derek Mugeridge, the Golf Course Superintendent of Leopard Creek, for his assistance and advice, freely given in achieving the

beautiful course we have today.

In December, our golf carts were traded in to purchase more efficient and economical Yamaha golf carts. The fleet of 31 have improved the flow of play on the course as well as each golfer's experience. I am thrilled to note that only positive feedback has been received from our visitors, timeshare regulars and longstanding members alike.

Further developments along the golf course have been the installation of a more substantial and electrified fence along the Sabie River; the demolition and rebuild of the golf cart bridge at the 2nd hole; and covering of the water course that previously cut across the start of the 16th fairway. The golf cart bridge was built with concrete drainage pipes in order to channel the water flow. The drainage pipes have been grassed over. The area is in the process of rehabilitating and is showing good progress in its recovery.

The project to install a second weir before the Hippo Dam has progressed with the completion of plotting of the 100-year flood line and mapping of the river. The design of the weir and the fish ladders have been approved by the ecologist and the soil sampling survey has yielded positive results by showing sufficient bedrock to allow construction in the desired location.

Our in-house water treatment plant has undergone a modernising upgrade that will improve the quality of water throughout the property. Further to this, the in-house sewerage treatment plant was automated, and a new bio disc roller was successfully installed.

The long awaited chalet refurbishment project resumed as soon as restrictions were lifted and completion was achieved by 5 November 2020. The snagging process has started and should be completed in the first half of 2021, as and when the chalets become available. We have received numerous favourable compliments on the refurbished chalets.

Financial results for the year ended 31 December 2020

Shareholders are referred to the statement of comprehensive income set out on page 14 that reflects the income and expenditure of the Company in a summarised format. The traditional detailed levy fund operating statement is set out on pages 25 and 26 and is presented as supplementary information to shareholders. I will refer to the detailed levy fund operating statement when commenting on the financial results for the year.

The statement of comprehensive income for the year ended 31 December 2020 reflects a surplus of R21.4m (2019: R16.8m) after taxation which was transferred to the reserve for property, plant and equipment.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2020

Income

Income increased compared to 2019, with sale of capital assets increasing significantly year-on-year due to the sale of the old furniture following the refurbishment of the chalets in 2020. Management continues to seek ways of increasing revenue particularly through rental pool and short-term rental options, with an increase of R183k noted on short-term rentals over the prior year.

Expenditure

Total expenditure for the year was R24.4m (2019: R29.1m) which reflected a decrease of 16%. This was largely due to the resort being closed for 5 months due to the Covid-19 lockdown. Major expense variances are as follows:

- **Rooms** – expenditure decreased year-on-year by 25.7% due to the closure of the resort, with the only increase recorded in cleaning supplies following Covid-19 protocols that were put in place;
- **Administration and general** – expenditure increased by 142% in comparison to the prior year. The SunSwop exchange service fees of R3.5m were paid for points on weeks affected by the Covid-19 lockdown to assist in obtaining weeks for shareholders that lost out on the opportunity to use their week during the lock down period. The R181k increase noted in provision for repossessed debtors followed an increase in the number of weeks repossessed. Railage and cartage increased by R28k year-on-year due to transportation of furniture and equipment relating to the refurbishment of the chalets;
- **Electricity, water, and refuse** – the overall decrease in electricity, water and refuse of 31% was due to the temporary closure of the resort;
- **Repairs and maintenance** – expenditure was down on prior year by 32.7% due to the resort being closed for the 5 months. Increases on 2019 in major repairs and maintenance were recorded following the upgrade of staff accommodation, and on buildings due to repairs carried out on window frames and replacement of doors;
- **Estate maintenance** – expenditure reflected a decrease of 46.5%, with the temporary suspension of the garden and grounds contract during lockdown;
- **Capital charges** – expenditure was up year-on-year by 2.2% due to the write-back of an overprovision in Company costs in 2019;
- **Management fee** – the 4.1% increase was in line with inflation.

Statement of financial position

The statement of financial position, reflected on page 15 together with the related notes thereto, represents the financial position of the Company as at 31 December 2020. The reserve for property, plant and equipment for the timeshare chalets had decreased to R24.6m from R35.8m as at December 2019. Total capital expenditure was R32.6m (2019: R18.6m) while fixed deposits held with bank totalled R31.1m (2019: R46.1m).

The following major capital expenditure was incurred during the year:

	R
Chalet refurbishment	28,520,187
Beds	1,241,730
Sewerage plant	1,068,662
DSTV upgrade	397,263
Dishwashers	273,039
Second weir	263,056
Children's playground	181,780
Swimming pools resurfacing	113,250
Fountains	112,305
Safes	91,705

As already mentioned, the chalet refurbishment project resumed as soon as restrictions were lifted and completion was achieved by 5 November 2020. The snagging process has started and should be completed in the first half of 2021, as and when the chalets become available.

Vacation ownership association of Southern Africa ("VOASA")

For new owners and as a reminder to all, VOASA is a self-regulatory member-based trade association for the shared vacation ownership industry in South Africa. It exists to protect consumer rights and commit to ongoing growth in the timeshare industry, in a positive and organized manner. The Company remains a member of VOASA and our Director Mr Anthony Ridl represents the Company on the VOASA Board. Mr Ridl remains very positive regarding the influence of VOASA on the industry, on behalf of each member.

General

I encourage every shareholder to attend this year's annual general meeting on 31 August 2021. Should you find yourself unable to attend, I further encourage you to complete the form of proxy enclosed in this annual report, on page 5.

Sabie River Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2020

Conclusion

In closing, I would like to thank my fellow Board of Directors for their commitment, insight and dedication in serving the interests of all shareholders. I extend my gratitude and appreciation to our management and support team for their knowledge, expertise, reliability and assistance.

In particular the success of our resort relies heavily on the wonderful service provided by our friendly and hospitable employees, who keep our "piece of heaven" operating to the best of its ability. 2020 has been a particularly hard year for those in the hospitality industry and we thank our colleagues for their dedication and loyalty to Sabie River Sun during this difficult period.

Thank you shareholders and I wish you all a great and prosperous year ahead.



Marcel von Aulock
Chairman

Notice is hereby given to the shareholders of the Company that the annual general meeting ("AGM") of the Company will be held on **Tuesday, 31 August 2021 at 09h30 at Sabie River Sun Resort, R536 Main Sabie Road, Hazyview** for the purposes of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary and special resolutions set out hereunder, and considering any other matters raised by shareholders at the AGM.

1. Receipt and adoption of annual financial statements and reports

Ordinary resolution 1: Resolved as an ordinary resolution to receive and adopt the annual financial statements of the Company for the financial year ended 31 December 2020, together with the reports of the Directors, the independent auditors thereon, and further to receive the reports of the audit committee, the social and ethics committee, contained in the annual report of the Company for the financial year ended 31 December 2020, and tabled at the meeting at which this resolution was proposed.

2. Appointment of auditors

Ordinary resolution 2: Resolved as an ordinary resolution upon the recommendation of the Board that BDO South Africa Incorporated ("BDO") be and are hereby appointed as independent auditors of the Company until the conclusion of the next AGM of the Company.

3. Election of Directors

The Board is limited by the memorandum of incorporation ("MOI") to thirteen (13) Directors in number, the "A" and "C" class shareholders together being entitled to appoint four (4) Directors, the "D" class shareholders being entitled to appoint two (2) Directors and the "B" class shareholders being entitled to appoint the remaining Directors. The "D" class shares have not been issued. The other Directors currently in office and appointed by the "B" class shareholders are Messrs Jacobus Boshoff, Johannes van Rooyen, Darren Park (appointed 1 November 2020), Peter Pienaar, Lubabalo Tyali, Marcel von Aulock and Ms Samantha Croft. It would facilitate secretarial procedures if **nominations for the appointment of those Directors representing the "A" and "C" class shareholders be received by no later than 09h30 on Friday, 27 August 2021 at the registered office of the Company or email address. Nominations must be in writing with the name of the proposer and seconder and be accompanied by the acceptance of such nomination by the nominee and their curriculum vitae ("CV").**

Ordinary resolution 3.1: Resolved as an ordinary resolution that Mr Raymond Jeffray who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.2: Resolved as an ordinary resolution that Mr Ajith Ramsarup who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.3: Resolved as an ordinary resolution that Mr Anthony Ridl who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

Ordinary resolution 3.4: Resolved as an ordinary resolution that Mr Antonio Rossetti who retires in terms of the Company's MOI, and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.

4. Appointment of audit committee

Ordinary resolution 4.1: Resolved as an ordinary resolution that Mr Ajith Ramsarup be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

Ordinary resolution 4.2: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

Ordinary resolution 4.3: Resolved as an ordinary resolution that Mr Antonio Rossetti be and is hereby elected as a member of the Company's audit committee in terms of the Company's MOI.

5. Approval of insured value of property

Ordinary resolution 5: Resolved as an ordinary resolution the recommended insured value of the property, as tabled at the meeting at which this resolution was proposed, be and is hereby approved.

6. Non-executive Directors' fees

Special resolution 1: Resolved as a special resolution that R7,400 (Vat payable, to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors of the Company and/or members of the sub-committees, per meeting or cluster of meetings, in respect of the period from 1 September 2021 until the next AGM of the Company, and tabled at the meeting at which this resolution was proposed, be and is hereby approved.

The reason for and effect of this special resolution:

In terms of Section 66(8) of the South African Companies Act 71, of 2008, the Company may pay remuneration to its Directors for their service as Directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by the shareholders within the previous two (2) years. Section 66(12) requires that any particular Director appointed to more than one (1) committee of the Company, be calculated only once. Directors will be entitled to be paid attendance fees/emoluments in respect of the above period.

Subject to the provisions of the Companies Act 71, of 2008, no business shall be transacted at any AGM unless a quorum of shareholders is present at the time when the meeting proceeds to business. The quorum at any AGM shall be no less than four (4) shareholders present, holding at least five percent (5%) of the share capital and voting rights, personally or by proxy, and who are entitled to be exercised at the meeting.

In the event of a quorum not being present within half-an-hour of the appointed time for the meeting to begin, the AGM will be automatically adjourned for one (1) business day, to Wednesday, 1 September 2021 and if at such adjourned meeting a quorum is not present within half-an-hour of the start time, the shareholders there present in person or by proxy shall be deemed to constitute the necessary quorum.

For an ordinary resolution to be adopted by shareholders at the AGM, it must be supported by more than fifty-percent (50%) of the voting rights in favour of such a resolution. For a special resolution to be adopted by shareholders at the meeting, it must be supported by more than sixty-percent (60%) of the voting rights in favour of such a resolution.

The record date for determining shareholder's voting rights is 23 August 2021.

Any shareholder entitled to attend and vote, is entitled to appoint a proxy to attend, vote and speak in his/her stead, and such proxy need not be a shareholder of the Company. **Forms of proxy should be forwarded to reach the registered office of the Company for the attention of the company secretary, by no later than 09h30 on Friday, 27 August 2021. A form of proxy is enclosed on page 5 for this purpose.**

Sabie River Share Block Proprietary Limited
 Registration Number: 1963/003920/07
 ("the Company")

Registered Office
 Palazzo Towers West
 Montecasino Boulevard
 Fourways, 2055

Private Bag X200, Bryanston, 2021
 Telephone (031) 561 2204
 Facsimile (086) 765 2272
Resorts.companyservices@tsogosun.com

Form of proxy for use by shareholders at the annual general meeting ("AGM") of the Company to be held on **Tuesday, 31 August 2021 at 09h30 at Sabi River Sun Resort, R536 Main Sabie Road, Hazyview.**

Form of proxy

I/We, being the shareholder/s of ordinary shares in the Company, with right of use of Chalet, week, hereby appoint:

1., or failing him/her,
2., or failing him/her,
3. The Chairman of the AGM.

As my/our proxy to vote for me/us on my/our behalf at the AGM of the Company, to be held on the above-mentioned date and at any adjournment thereof as follows:

	In Favour Of	Against	Abstain
Ordinary resolution 1: Receipt and adoption of annual financial statements and reports - Year ended 31 Dec 2020			
Ordinary resolution 2: Appointment of auditors			
Ordinary resolution 3: Election of Directors			
3.1 Raymond Jeffray			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
3.4 Antonio Rossetti			
Ordinary resolution 4: Appointment of audit committee			
4.1 Ajith Ramsarup			
4.2 Anthony Ridl			
4.3 Antonio Rossetti			
Ordinary resolution 5: Insured value of property			
Special resolution 1: Non-executive Directors' fees (R7,400)			

Signed at this day of 2021.

Signature assisted by (where applicable)

Unless otherwise instructed, specifically as above, the form of proxy will vote, as the appointee deems fit.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives and excluding the deletion of singular/plural alternatives) must be initialled by the signatory/ies. **Documentary evidence establishing the authority of a person signing this form of proxy in an appointee/representative capacity (e.g. on behalf of a Company, Close Corporation, Body Corporate or Trust) must be attached to this form, failing which the proxy will be invalid.**

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat, to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so. Any shareholder entitled to attend and vote, is entitled to appoint a proxy to attend, vote and speak in his/her stead and such proxy need not be a shareholder of the Company.

Forms of proxy should be forwarded to reach the registered office of the Company, for the attention of the company secretary, by no later than 09h30 on Friday, 27 August 2021.

Sabie River Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2020

The Directors and management are responsible for the preparation, integrity and fair presentation of the annual financial statements of Sabie River Share Block Proprietary Limited. The annual financial statements presented on pages 14 to 24 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities and in the manner required by the South African Companies Act 71, of 2008.

The Directors and management are also responsible for maintaining the Company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors and management have the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position, financial performance and cash flows of the Company to enable the Directors to ensure that the annual financial statements comply with the relevant legislation. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at year-end.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the Company will not be a going concern in the foreseeable future.

The Company's external auditors, BDO South Africa Incorporated, audited the annual financial statements and their report is presented on pages 12 and 13.

Approval of annual financial statements

The annual financial statements set out on pages 14 to 24 were approved by the Board of Directors on 17 June 2021 and are signed by:



MN Von Aulock
Chairman



AB Ramsarup
Director (chairman - audit committee)

Declaration by the company secretary

I hereby confirm in my capacity as company secretary of Sabie River Share Block Proprietary Limited, that for the year ended 31 December 2020, the Company has filed all required returns and notices in terms of the South African Companies Act 71, of 2008, and that all such returns and notices are to the best of my knowledge and belief, true, correct and up to date.



MJ Mahloele
For Southern Sun Secretarial Services Proprietary Limited

Sabie River Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2020

The audit committee has pleasure in submitting this report, as required by Section 94 of the South African Companies Act, 71 of 2008. The audit committee is an independent statutory committee appointed by the shareholders at each annual general meeting ("AGM").

1. Members of the audit committee

The members of the audit committee comprise three non-executive Directors being Mr Anthony Ridl, Mr Ajith Ramsarup (Chairman) and Mr Antonio Rossetti.

2. Frequency of meetings

The audit committee met twice during the financial year under review. Provision is made for additional meetings to be held, when and if necessary.

3. Attendance

The external auditors, in their capacity as auditors of the Company, attended and reported to the meetings of the audit committee. Relevant senior managers attended the meeting by invitation.

4. Duties of the audit committee

The work of the audit committee during the year focused on:

- 4.1 evaluating the independence and effectiveness of, the fees, and terms of engagement of, the external auditors;
- 4.2 ensuring that the appointment of the auditor complies with the provision of the South African Companies Act and any other legislation relating to the appointment of auditors;
- 4.3 approving of external audit and internal audit plans;
- 4.4 determining, subject to the provisions, the nature and extent of any non-audit services that the auditor may provide to the Company, or a related Company;
- 4.5 reviewing of prospective accounting standard changes;
- 4.6 evaluating of financial reporting procedures;
- 4.7 reviewing of and recommending to the Board for approval, the annual financial statements;
- 4.8 assessing of the internal control environment, particularly in relation to the system on internal financial controls; and
- 4.9 performing such other oversight functions as may be determined by the Board.

5. Independence of external auditors

The audit committee has satisfied itself that the external auditor is independent of the Company, as set out in Section 94(8) of the South African Companies Act 71, of 2008. Requisite assurance was provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.



AB Ramsarup

Chairman

17 June 2021

Sabie River Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2020

The social and ethics committee of Sabie River Share Block ("the Committee") is a statutory committee that is governed by the South African Companies Act 71, of 2008, guided by King IV, and includes all other responsibilities allocated to it by the Board.

Composition and functioning

The committee comprises five (5) Directors, namely: RDT Jeffray, L Tyali, S Croft, JPF Van Rooyen and PM Pienaar, with the assistance of the general manager, Mr Malcolm Bone, who was elected as Chairman. All Directors are welcome to attend committee meetings, which take place twice a year. Company employees assist the committee wherever possible.

Role of the committee

The committee ensures that the Company's energy, water and waste programmes are in place; ensures good corporate citizenship; monitors employee engagement and development; and ensures that health and safety remain a focus.

Social and economic development

The committee assists its local community through various initiatives: The SizaBantwana Children's home based in Hazyview that performs a selfless service, looking after orphaned and vulnerable children and youth. In 2020, the Company donated used items of cutlery, crockery, linen, pillows, towels and blankets to the value of R77k, which has provided much needed assistance to the home. The Company again, received fantastic support for its CANSA Shavathon, with just under R10k raised for the charity. The Company hosted a blood donation drive run by the SANBS supported by guests and staff with a total donation of 8 units.

Corporate citizenship – CSI

The committee has a strong regard for corporate citizenship which highlights its social, cultural and environmental responsibility and sustainability. Local CSI initiatives are not only supported through donations of time and written-off operating equipment, but through training and guidance, to not only assist but for the institute or facility to continue its own support and sustainability.

We will be collaborating our efforts with Pine Lake Sun in 2021 to increase our reach and effectiveness. The initiatives will include homes for abandoned / orphaned children, foundations for disabled children, old age homes and transition homes for children that are HIV positive.

Environmental health and public safety

The committee ensures that the resort's energy, water and waste programmes are effective and contribute towards its sustainability goals.

We continued with our in-house feral cat sterilization programme and are in the process of partnering with the "Greater Kruger Alley Cat Initiative" to assist with sterilizing the increased number of feral cats on a monthly basis.

We are considering the introduction of labeled water spray bottles into the chalets to provide owners with a humane deterrent for the monkeys.

Organisational resilience management system ("ORMS")

ORMS, implemented by Southern Sun Resorts/Tsogo Sun throughout all of its properties, is a comprehensive management system that records and plans systems relating to fire protection, safety, security, business continuity, environmental impact, risk analysis and effects on the business. This management system is updated quarterly and audited by Tsogo Sun on an annual basis. Sabie River Sun Resort improved its score in 2020 and achieved 93% in the most recent audit.

Guest relations and correspondence

Guest satisfaction remains of utmost importance and all comments/suggestions are carefully managed, monitored and responded to on a daily basis. Alternative feedback platforms include Facebook, TripAdvisor and Google reviews.

Labour, employment and relations, training and BBBEE

The Company complies with the Labour Relations Act of South Africa. All employees are treated equally, and employee engagement is continually monitored. Employees are one of the resort's most valuable asset.

Management assists in developing, maintaining and improving employee relationships through communication, performance management, processing of grievances and/or disputes. Employees at the resort are trained and further developed where possible. Sabie River Sun resort is linked to the BBBEE rating of the Tsogo Sun Group, which currently rates as a level 1 contributor.

Tracking of the committee

The committee is focused on ensuring that the resort's environmental programme has a strong approach to energy, water and waste management. Energy and water consumption is monitored through a live system that automatically updates and advises management of any potential and/or actual wastage taking place. The system assists in tracking trends of usage of the resources and highlights the best time for optimal use and cost effectiveness. Abnormal activities that deviate from the targets set for the resort, are highlighted immediately.

Strategic plans

The chalet refurbishment project has progressed well, with all 104 chalets completed by 4 December 2020. The second phase of the chalet refurbishments has been planned and will encompass the waterproofing and remedial work to the chalet patio roofs, replacement of galvanised piping inside the chalets and the replacement of heat pumps in a phased approach.

The upgrade of the golf course was successfully completed with the reopening of all 18 holes on 12 December 2020.

Preliminary work on the second weir project has progressed with the completion of the surveying for and drawing of the 100 year flood line as well as the geotechnical soil survey. The Engineers have further completed the drawings for second weir and the fish ladders. The ichthyology study is now in progress. Once all environmental factors have been approved we will progress on to the water usage license (WULA) application phase.



MJ Bone
Chairman

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2020

The Directors present their annual report of the Company for the year ended 31 December 2020.

1 Business activity

The Company and its subsidiary owns the land and buildings known as Sabie River Resort which comprises of a hotel and a chalet timesharing scheme. The chalets are utilised by the "A" and "C" shareholders on a timeshare basis with respective shareholders' time interest being apportioned through the issue of shares according to share block regulations. These regulations provide for the following:

1. Shares are issued in predefined blocks which are linked by a use agreement relating to specific units during specific weeks of the year;
2. Linked to the respective share blocks are obligations on the share block owners to make loans to the Company; and
3. Obligations on share block owners to contribute levies to enable the Company to defray its expenditure.

The "B" class shareholder has the right of use of the hotel property excluding the timesharing chalets.

The "D" class shares of the Company convey to the "D" class shareholders the right to occupy continuous ownership chalets. No continuous ownership chalets were erected during the year and no "D" class shares have been issued.

2 Financial results

The financial results of the Company are set out in the attached annual financial statements.

In accordance with the provisions of the Share Blocks Control Act, and in common with other timeshare operations in South Africa, the Company has, since its inception as a share block Company, raised an annual levy making a provision for the maintenance and upkeep of the property. Asset replacement costs and additions to property, plant and equipment have been charged against this amount annually. Before providing for property, plant and equipment additions and replacements, a surplus of R21,441,685 (2019: R16,758,283) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2019: R Nil).

3 Share capital

The authorised and issued share capital has remained unchanged.

4 Insurance

The chalet and hotel buildings and their contents, dam wall and bridges are insured at current replacement values under an all-risk policy. In addition, Sasria (Riot) cover has been arranged for the sum insured. The Company does not insure personal belongings of the individual timesharers.

The Company does not guarantee the provision of alternative accommodation in the event of a disaster and does not take out insurance for this.

5 Directors and secretary

The Directors in office during the year under review and at the date of this report are:

Representing "A" and "C" class shareholders

RDT Jeffray ^

AB Ramsarup *

AN Ridl *

(Alternate MN Ridl)

AN Rossetti *

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2020

5 Directors and secretary (continued)

Representing the "B" class shareholders

PJ Boshoff	
SJ Croft	Appointed 1 July 2020
AH Fuller ^	Resigned 30 June 2020
R Nadasen	Resigned 31 July 2020
DA Park	Appointed 1 November 2020
PM Pienaar ^	
L Tyali ^	
MN Von Aulock	Chairman
WG Whiteboy	Resigned 31 October 2020
JPF van Rooyen ^	Appointed 1 August 2020

* **Audit committee members**

^ **Social and ethics committee members**

The secretary of the Company is Southern Sun Secretarial Services Proprietary Limited, whose business and postal addresses are:

Business:	Postal:
Palazzo Towers West	Private Bag X200
Montecasino Boulevard	Bryanston
Fourways	2021
2055	

6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited, of which Mr PJ Boshoff is a Director.

7 Material events after year-end

The Directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or in the annual financial statements, that would affect the financial position of the Company or the results of its operations significantly.

8 Holding company

The holding company is Southern Sun Hotel Interests Proprietary Limited, a company registered in the Republic of South Africa. The ultimate holding company is Tsogo Sun Hotels Limited, a company registered in the Republic of South Africa.

9 Subsidiary

The following information relates to the Company's financial interest in its subsidiary, which did not change during the year. Sabie Golf Proprietary Limited is a property company which owns the land portions 27 and 31 of the farm "Perry's Farm" No 9, White River. Golf holes 7 - 12 are located on this land.

	No of Shares	Shares % holding	Shares at cost R
Sabie Golf Proprietary Limited	1	100%	1

The Directors are of the opinion that it would be of no real value to shareholders to prepare group annual financial statements, as the only asset of the subsidiary is a property and the subsidiary does not trade.

Sabie River Share Block Proprietary Limited

Report of the Directors for the Year Ended 31 December 2020

10 Covid-19

The Coronavirus ("Covid-19") pandemic and subsequent lockdown of the economy at midnight on 26 March 2020, and in particular the hospitality sector, has had a profound impact on the industry. The measures taken by government to limit the spread of Covid-19 and the resultant inability of travellers to travel both inter-provincially and internationally, impacted and limited operations in the 2020 financial year.

The Company was closed for business for the period 27 March 2020 to 20 August 2020 due to the government implementing the national lockdown. The Company maintained close communication with its employees, suppliers and tenants in order to arrive at mutually sustainable operating solutions during these extraordinarily difficult times. The Company had implemented the following steps to reduce costs and preserve cash:

- **Reduction of payroll burden:** The Company implemented the temporary layoff of employees and materially reduced pay for all levels, including executive management. The Company operated on skeleton staffing levels until demand returned. In addition, employee recruitments and training were placed on hold, while salary increases and accrued bonus settlements were deferred. In order to alleviate the cash flow burden on both the Company and its employees, applications were submitted for: UIF TERS grants; pension and medical aid fund contribution holidays for a period of twelve months and three months respectively; as well as SDL payment holidays;
- **Suppliers:** The Company negotiated reduced or extended payment terms with major suppliers, particularly those providing fixed cost services such as security and lift maintenance. Contractual variable costs with suppliers were reduced to nil until trading resumed by extending the period of the contracts; and
- **Rebate to shareholders:** Shareholders with ownership of weeks 13 to week 34, were directly affected by the Company closing for business due to the nationwide lockdown as a result of Covid-19. The Board assessed and quantified the operational costs involved in running the resort during the lockdown period, as well as the savings brought about as a result of the resort being closed during this period, and resolved to offer shareholders 2 options related to their affected week/s. In reaching this decision however, it was important to give all shareholders the assurance that extensive measures were put into place to ensure that operational costs were reduced wherever possible during the lockdown period. The intention of the Board was to go back to shareholders affected by the lockdown, to provide some relief to these shareholders based on the savings effected during the lockdown period, whilst also taking into consideration the future financial requirements of the Company, as well as the capital projects which need to be undertaken in the future so that the standards of the resort were not compromised in any way. The options were as follows:

Option 1

- Spacebank the week with SunSwop for 2020;
- Shareholders receive 100% of their points, for use over a 5-year period (the period was increased from 3 to 5 years); and
- Shareholders also receive a credit to the value of R509 on their levy account (R509 was the value of an exchange fee when doing an exchange back into another Tsogo Sun managed resort).

Option 2

- Receive a credit to the value of 25% of the levy, which was passed against the shareholders levy account in the current year.
- SunSwop did not allocate any points to these shareholders for weeks affected during the lockdown period in 2020.
- Shareholders receive no other benefit in respect of the week affected during the lockdown period.

In addition to the measures mentioned above, all shareholders received a 0% levy increase for 2021.

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

To the shareholders of Sabie River Share Block Proprietary Limited

Opinion

We have audited the financial statements of Sabie River Share Block Proprietary Limited ("the Company") set out on pages 14 to 24, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sabie River Share Block Proprietary Limited as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis of opinion

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Sabie River Share Block Proprietary Limited Annual Financial Statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The 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.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Sabie River Share Block Proprietary Limited

Report of the Independent Auditors

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

Ahmed Timol

Director

Registered Auditor

17 June 2021

5A Rydall Vale Office Park

38 Douglas Saunders Drive

La Lucia, 4051

Sabie River Share Block Proprietary Limited

Statement of Comprehensive Income - "A" and "C" Class Shareholders for the Year Ended 31 December 2020

	Note	2020 R	2019 R
Income		44 363 669	42 664 544
Levy income		43 366 464	41 792 129
Other income		997 205	872 415
Expenses		(24 399 449)	(29 051 123)
Levy surplus before interest and taxation	3	19 964 220	13 613 421
Net finance income	4	2 041 430	4 196 050
Levy surplus before taxation		22 005 650	17 809 471
Income tax expense	5	(563 965)	(1 051 188)
Levy surplus for the year		21 441 685	16 758 283

Statement of Comprehensive Income - "B" Class Shareholders for the year ended 31 December 2020

	2020 R	2019 R
Revenue		
Levy income	128 623	136 273
	128 623	136 273
Expenses		
Audit fees	(6 000)	(6 000)
Rates	(122 623)	(130 273)
	(128 623)	(136 273)
Levy surplus for the year	-	-

Sabie River Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2020

	Notes	2020 R	2019 R
ASSETS			
Current assets			
Trade and other receivables	6	8 332 380	4 047 930
Levies receivable	7	2 043 092	323 260
Fixed deposits held with bank	12	31 148 813	46 148 813
Cash and cash equivalents	13	5 778 122	7 238 810
Total current assets		47 302 407	57 758 813
Total assets		47 302 407	57 758 813
EQUITY			
Capital and reserves			
Share capital	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders	8	24 580 765	35 776 271
Total equity		24 594 691	35 790 197
LIABILITIES			
Current liabilities			
Trade and other payables	9	9 910 853	9 101 567
Levies received in advance	14	11 181 710	11 815 861
Current tax liabilities		1 615 153	1 051 188
Total current liabilities		22 707 716	21 968 616
Total liabilities		22 707 716	21 968 616
Total equity and liabilities		47 302 407	57 758 813

Statement of Changes in Equity for the Year Ended 31 December 2020

	Notes	2020 R	2019 R
Share capital			
131,770 - "A" Class ordinary shares of 1 cent each		1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each		11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each		638	638
Ordinary shares at beginning at year-end	11	13 926	13 926
Reserve for property, plant and equipment - "A" and "C" class shareholders			
At beginning of year		35 776 271	37 622 367
Levy surplus for the year		21 441 685	16 758 283
Property, plant and equipment additions and replacements during the year	8	(32 637 191)	(18 604 379)
At year-end		24 580 765	35 776 271

Sabie River Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	2020 R	2019 R
Cash flow from operating activities		
Levy surplus before taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	22 005 650	17 809 471
Adjustments for:		
Net interest received	(2 041 430)	(4 196 050)
Net surplus before working capital changes	19 964 220	13 613 421
Changes in working capital		
- Movement in levies receivable	(1 719 832)	17 087
- Movement in trade and other receivables	(4 284 450)	(1 112 477)
- Movement in levies received in advance	(634 151)	(720 627)
- Movement in trade and other payables	809 286	5 359 810
Cash flows from operating activities	14 135 073	17 157 214
Net interest received	2 041 430	4 196 050
Tax paid	-	(893 123)
Net cash inflow from operating activities	16 176 503	20 460 141
Cash flow from investing activities		
Property, plant and equipment additions and replacements	(32 637 191)	(18 604 379)
Movement in fixed deposits held with bank	15 000 000	(1 000 000)
Net cash outflow from investing activities	(17 637 191)	(19 604 379)
Net movement in cash and cash equivalents	(1 460 688)	855 762
Cash and cash equivalents at beginning of year	7 238 810	6 383 048
Cash and cash equivalents at year-end	5 778 122	7 238 810

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities ("IFRS for SME's") and the South African Companies Act 71, of 2008. The annual financial statements have been prepared on the historical cost basis unless otherwise indicated in the policies set out below.

The accounting policies are consistent with previous periods.

The preparation of annual financial statements in conformity with IFRS for SME's requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current year, there were no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates were significant to the annual financial statements.

1.2 Reserve for property, plant and equipment

Normal maintenance expenditure is written-off against the statement of comprehensive income.

A reserve for capital expenditure in respect of additions and replacements of property, plant and equipment is provided. This reserve is intended to provide for the expenditure incurred. Transfers are made to and from this reserve, having regard to surpluses, if any, in the statement of comprehensive income and to amounts expended in respect of property, plant and equipment. The right of use of all property, plant and equipment is vested in the shareholders.

All proceeds on the disposals of property, plant and equipment are credited to the statement of comprehensive income.

1.3 Leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.4 Financial instruments

Fixed deposits held with bank are recognised when the Company becomes a party to the contractual provisions of the respective instrument and are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Fixed deposits held with bank are recognised initially at fair value and subsequently measured at amortised cost. Fixed deposits held with bank are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the Company has transferred substantially all risks and rewards of ownership. Interest income from these term deposits is included in finance income using the effective interest rate method.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Such provision is established when there is evidence that the Company will not be able to collect the full amount owing. The provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written-off in the year during which they are identified.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Gains and losses on subsequent measurement of financial instruments are reflected in the statement of comprehensive income.

1.5 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with the bank. These are reflected in the statement of financial position and statement of cash flow at cost.

1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

Sundry revenue is recognised when it is earned.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

1.7 Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be established.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

1.8 Equity

Ordinary shares are classified as equity.

1.9 Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial year-end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authority.

1.10 Retirement benefits

The Company participates in two defined contribution plans, the assets of which are held in a separate trustee-administered fund. The Company pays fixed contributions into a separate entity. Contributions are charged to the statement of comprehensive income in the year to which they relate. The Company has no further payment obligations once the contributions have been paid. The Pension Fund Act of South Africa governs the defined contribution plans. All permanent employees are required to belong to the defined contribution plans.

2 Financial risk management

Capital management

All costs associated with the maintenance of the resort, including the refurbishment of the property and replacements of movable property, plant and equipment, are financed out of levies from shareholders.

Financial risk factors

The financial risks to which the Company is exposed are liquidity, credit and interest rate risk.

Liquidity risk

In terms of the use agreements associated with the shares of the Company, shareholders are obliged to contribute levies sufficient to cover the costs of the maintenance, upkeep, control and management of the Resort.

In order to manage the liquidity requirements of the Company, a rolling 10-year capital replacement and refurbishment plan is maintained and reviewed regularly by the Directors. This plan provides for the orderly refurbishment of the property and maintenance of sufficient contingency reserves, based on increases in annual levies.

The financial instruments to which the Company is exposed represent bank balances and accounts receivable and payable in respect of the operation of the levy fund. Accounts payable are generally settled within 30 days. The carrying values of the financial instruments approximate fair value.

Credit risk

Credit risk arises from bank balances and amounts due from shareholders in respect of levies due. There is no significant concentration of credit risk on amounts due by shareholders.

The Company invests its surplus cash on deposit and on call only with the four largest South African banking institutions.

Credit risk arising from levy amounts due is managed by close monitoring of outstanding balances and prompt repossession of defaulting units through the exercise of a lien on shares as provided in the memorandum of incorporation of the Company.

Interest rate risk

The Company is exposed to interest rate risk to the extent that interest rates on bank balances with financial institutions may vary. As a matter of practice, adverse interest rate risk is minimised by conservative budgeting.

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

	2020 R	2019 R
3 Levy surplus before interest and taxation		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
- Salaries, wages and benefits	3 640 885	5 400 853
- contributions to retirement funds	114 473	387 326
Management fees	2 534 712	2 433 908
Audit fees	98 200	106 306
Internal audit fees	19 000	43 758
Other operating expenses	17 992 179	20 678 972
	24 399 449	29 051 123
4 Net finance income		
Interest earned on fixed deposits, call deposits and current account	2 042 827	4 196 050
Interest paid	(1 396)	-
	2 041 431	4 196 050
5 Income tax expense		
Provision is made for Company taxation on the net non-levy income of the levy fund.		
No tax is payable on levy income from the shareholders in terms of Sec 10(1)e of the Income Tax Act.		
Current year	563 965	1 051 188
	563 965	1 051 188
A reconciliation of the taxation charge is not considered appropriate as share block companies are liable for taxation only on their net non-levy income.		
The holder of the "B" class shares has, in terms of the memorandum of incorporation, indemnified the holders of the "A", "C" and "D" class shares against payment of taxation which may arise on income derived from the hotel property trading operations or on the distributable reserves of the Company. This indemnification does not apply to contributions made by the holders of the "A", "C" and "D" class shares to the levy fund or income from the investment of such contributions.		
6 Trade and other receivables		
Trade receivables	124 101	106 617
Other receivables (refer note 16)	5 697 659	62 923
Receiver of Revenue - Vat	756 080	657 116
Prepayments (refer note 16)	1 554 993	1 658 597
Interest receivable	199 547	1 562 677
	8 332 380	4 047 930
7 Levies receivable		
Levy debtors	1 981 888	199 803
Repossessed debtors	784 557	397 748
Provision for repossessed debtors	(723 353)	(274 291)
- Opening balance	(274 291)	(6 377)
- Movement	(449 062)	(267 914)
	2 043 092	323 260

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

	2020 R	2019 R
8 Reserve for property, plant and equipment - "A" and "C" class shareholders		
At beginning of year	35 776 271	37 622 367
Levy surplus for the year	21 441 685	16 758 283
	57 217 956	54 380 650
Property, plant and equipment additions and replacements during the year	(32 637 191)	(18 604 379)
At end of year	24 580 765	35 776 271
<p>The Directors have reviewed a forward estimate, prepared by management, of the costs of property, plant and equipment additions and replacements over the next 10 years.</p> <p>The Directors have approved capital expenditure for 2021 of R26,395,126 (2019: approved R36,467,839 for 2020) which it is anticipated will decrease the reserve fund by R10,378,657 (2019: decrease by R21,654,387 in 2020). There were no capital commitments made at year-end (2019: R29,670,793).</p>		
9 Trade and other payables		
Sundry payables (refer note 16)	265 274	879 804
Accruals (refer note 16)	4 278 763	1 775 010
Provision for audit fees	106 000	106 000
Southern Sun Hotel Interests Proprietary Limited (refer note 16)	5 254 616	6 334 553
Southern Sun Timesharing Resales Proprietary Limited (refer note 16)	6 200	6 200
	9 910 853	9 101 567
10 Property, plant and equipment		
<p>The Company complies with the SAICA Guide on Financial Reporting for Share Block Companies with respect to the treatment of property, plant and equipment. In terms of the SAICA Guide the right of use of property, vested with the shareholders, has been offset against the loan from shareholders with the balance transferred to the reserve for property plant and equipment.</p> <p>Land and buildings comprise the following property:</p> <ul style="list-style-type: none"> - Portion 20 of "Perry's Farm" No 9, White River, with hotel buildings thereon; - Portion 25 of "Perry's Farm" No 9, White River; - Portions 20 and 25 have been consolidated into Portion 26 of the farm "Perry's Farm"; and - Subsidiary's land consisting of Portions 27 and 31 (a consolidation of Portion 28 and 29) of the farm "Perry's Farm" No 9, White River. <p>Land and buildings were originally purchased for R19,661,853 and are not recognised. Although the Company has legal title to the property it effectively only owns the bare dominium over the property which is considered to be of no value. The property is currently valued by the Municipality at R37,208,000 for rates purposes. There are no bonds on the property.</p>		
11 Share capital		
Authorised		
Ordinary shares		
133,000 - "A" Class ordinary shares of 1 cent each	1 330	1 330
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
152,000 - "C" Class ordinary shares of 1 cent each	1 520	1 520
114,000 - "D" Class ordinary shares of 1 cent each	1 140	1 140
	15 960	15 960
Issued		
Ordinary shares		
131,770 - "A" Class ordinary shares of 1 cent each	1 318	1 318
1,197,000 - "B" Class ordinary shares of 1 cent each	11 970	11 970
63,820 - "C" Class ordinary shares of 1 cent each	638	638
	13 926	13 926

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

	2020 R	2019 R
11 Share capital (continued)		
Voting rights		
The "A", "B", "C" and "D" class shares have equal voting rights.		
Dividends		
Only the "B" class shareholders have the right to dividends.		
Winding-up		
In terms of the memorandum of incorporation, should the Company be wound up and have funds remaining for distribution to shareholders, after paying all liabilities other than the loan obligation, the liquidator shall obtain a separate valuation for the land, hotel buildings and chalets.		
An amount equal to the fair value of the land will be distributed to the holder of the "B" class shares. The balance available for distribution will be distributed to the holders of the "A", "B", "C" and "D" class shares in the proportion of the values of the chalets and the hotel buildings respectively. Such distribution will be deemed to firstly discharge the shareholders loan and thereafter, a liquidation dividend.		
Unissued shares		
In terms of an option, the unissued "A", "C" and "D" class shares may be subscribed for by Southern Sun Hotel Interests Proprietary Limited prior to the development of additional chalets on the Company's property.		
12 Fixed deposits held with bank		
Fixed deposits held with bank	31 148 813	46 148 813
13 Cash and cash equivalents		
Bank balances	5 778 122	7 238 810
14 Levies received in advance		
Levies received in advance	11 181 710	11 815 861
Shareholders are billed 6 months in advance and this represents levies received in advance (for the future year) that have been received at the end of the financial year.		
15 Capital commitments		
The Company is responsible for a portion of the annual subscriptions of the Sabi River Sun Golf Club and during the year contributed R2,315,756 (2019 : R4,857,482). This expense is reflected under estate maintenance in the "A" and "C" class shareholders' statement of comprehensive income.		
16 Related party transactions		
The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSH"). The Company is charged the following fees in terms of the management agreement:		
Short term rentals	22 795	27 467
Rental pool	40 614	57 076
Management fee	2 534 712	2 433 908
Central accounting and levy collection fees	249 779	228 410

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

	2020 R	2019 R
16 Related party transactions (continued)		
Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. On behalf of the Company, SST provides a rental service and recovers levies from the sale and rental of timeshare weeks. During the financial year the Company received the following fee in terms of the management agreement:		
Commission on resale and rental of weeks - SST	(30 240)	(71 648)
Balance owing to SST (refer note 9)	(6 200)	(6 200)
Share Registry Management Services Proprietary Limited ("SRMS") provides an exclusive transfer of shares service to shareholders. During the financial year, the Company (received)/paid the following fees in terms of the management agreement:		
Commission on transfer of ownership - SRMS	(24 815)	(26 618)
Secretarial fees on repossessed debtors and use agreement fees - SRMS	28 757	38 504
During the financial year the Company paid the following fees to SunSwop (a division of SSHI), which is affiliated to RCI:		
Membership fees	-	80 343
Fees for points on weeks affected by Covid-19	3 543 266	-
	3 543 266	80 343
During the financial year the Company paid the following SSHI internal charges:		
- Administration - Information technology	428 501	627 514
Most expenses of the Company are paid by Sabi River Sun Hotel, a division of SSHI, and reimbursed by the Company.		
In addition, certain costs are incurred by SSHI in terms of contracts negotiated on behalf of members of the Tsogo Sun group, including the Company. These costs, which include insurance and certain maintenance and operating lease contracts, are recovered from the Company via Sabi River Sun Hotel.		
Due (to)/by SSHI and its subsidiaries:		
- included in sundry payables (refer note 9)	(140)	(9 890)
- included in accruals (refer note 9)	(3 652 946)	-
- owing to Southern Sun Hotel Interests Proprietary Limited (refer note 9)	(5 254 615)	(6 334 553)
- included in other receivables (refer note 6)	17 534	9 555
- included in prepayments (refer note 6)	-	96 389
	(8 890 167)	(6 334 888)
Sabi River Sun Golf Club, related through common directorship, was paid annual subscriptions by the Company as follows:		
Subscriptions	2 315 756	4 857 482
Due (to)/by Sabi River Sun Golf Club:		
- included in sundry payables (refer note 9)	-	(47 780)
- included in other receivables (refer note 6)	5 604 184	-
	5 604 184	(47 780)

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

16 Related party transactions (continued)

The following entities, related through common directorship, own units in the Company as follows:

	Number of units	Levies paid R	Levies received in advance R
2020 - shareholding			
MN Von Aulock - SunSwop (a division of SSHI)	9	82 800	18 380
AB Ramsarup - The Leisure Holiday Club	91	837 200	238 940
AN Ridl - Club Leisure Group	166	1 587 920	674 580
2019 - shareholding			
MN Von Aulock - SunSwop (a division of SSHI)	9	77 580	18 400
AB Ramsarup - The Leisure Holiday Club	91	784 420	239 200
AN Ridl - Club Leisure Group	165	1 479 260	531 760

17 Directors' emoluments

Non-executive Directors have been remunerated an agreed upon fee per meeting attended for their services to the Company. In addition, all Directors are reimbursed for costs incurred whilst performing the Company's business. Further, all Directors are insured for medical costs and personal accident. All Directors are also covered by insurance taken out by the Company as indemnification against all liability of any Director towards the Company in respect of any negligence, default, breach of duty or breach of trust. All costs relating to Messrs Fuller, Whiteboy, Pienaar, Tyali, von Aulock, Park, Boshoff, van Rooyen and Ms Croft are borne by Tsogo Sun.

	2020 R	2019 R
Directors' emoluments paid for the year:		
IGS Cruickshank	-	14 000
RDT Jeffray	37 000	35 800
AN Rossetti	37 000	14 800
	74 000	64 600

Sabie River Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2020

10 Covid-19

The Coronavirus ("Covid-19") pandemic and subsequent lockdown of the economy at midnight on 26 March 2020, and in particular the hospitality sector, has had a profound impact on the industry. The measures taken by government to limit the spread of Covid-19 and the resultant inability of travellers to travel both inter-provincially and internationally, impacted and limited operations in the 2020 financial year.

The Company was closed for business for the period 27 March 2020 to 20 August 2020 due to the Government implementing the national lockdown. The Company maintained close communication with its employees, suppliers and tenants in order to arrive at mutually sustainable operating solutions during these extraordinarily difficult times. The Company had implemented the following steps to reduce costs and preserve cash:

- **Reduction of payroll burden:** The Company implemented the temporary layoff of employees and materially reduced pay for all levels, including executive management. The Company operated on skeleton staffing levels until demand returned. In addition, employee recruitments and training were placed on hold, while salary increases and accrued bonus settlements were deferred. In order to alleviate the cash flow burden on both the Company and its employees, applications were submitted for: UIF TERS grants; pension and medical aid fund contribution holidays for a period of twelve months and three months respectively; as well as SDL payment holidays;
- **Suppliers:** The Company negotiated reduced or extended payment terms with major suppliers, particularly those providing fixed cost services such as security and lift maintenance. Contractual variable costs with suppliers were reduced to nil until trading resumed by extending the period of the contracts; and
- **Rebate to shareholders:** Shareholders with ownership of weeks 13 to week 34, were directly affected by the Company closing for business due to the nationwide lockdown as a result of Covid-19. The Board assessed and quantified the operational costs involved in running the resort during the lockdown period, as well as the savings brought about as a result of the resort being closed during this period, and resolved to offer shareholders 2 options related to their affected week/s. In reaching this decision however, it was important to give all shareholders the assurance that extensive measures were put into place to ensure that operational costs were reduced wherever possible during the lockdown period. The intention of the Board was to go back to shareholders affected by the lockdown, to provide some relief to these shareholders based on the savings effected during the lockdown period, whilst also taking into consideration the future financial requirements of the Company, as well as the capital projects which need to be undertaken in the future so that the standards of the resort were not compromised in any way. The options were as follows:

Option 1

- Spacebank the week with SunSwop for 2020;
- Shareholders receive 100% of their points, for use over a 5-year period (the period was increased from 3 to 5 years); and
- Shareholders receive a credit to the value of R509 on their levy account (R509 was the value of an exchange fee when doing an exchange back into another Tsogo Sun managed resort).

Option 2

- Receive a credit to the value of 25% of the levy, which was passed against the shareholders levy account in the current year;
- SunSwop did not allocate any points to these shareholders for weeks affected during the lockdown period in 2020; and
- Shareholders receive no other benefit in respect of the week affected during the lockdown period.

In addition to the measures mentioned above, all shareholders received a 0% levy increase for 2021.

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2020

	2020 R	2019 R
INCOME		
Levies	43 366 464	41 792 129
Rental pool	26 761	68 492
Short term rentals	359 037	175 792
Sale of capital assets	169 409	71 870
Sundry income		
- telephone, rentals, penalties, etc.	441 998	556 261
	44 363 669	42 664 544
EXPENDITURE		
Rooms expenses		
Cleaning supplies	62 391	48 748
Guest entertainment		
- videos, cocktails, games and prizes	118 290	143 360
- DSTV	116 874	322 725
Guest supplies	77 312	208 802
Laundry	415 756	524 517
Personnel costs		
- outside services	1 618 925	3 096 540
Pest control	75 177	112 487
Replacement of cutlery, crockery, linen, towels, uniforms, etc.	795 737	798 386
Security services	2 375 628	2 358 908
	5 656 090	7 614 473
Administration and general		
Auditors remuneration		
- current year	106 000	106 000
- prior year overprovision	(7 800)	-
- expenses	-	306
Bad debts	1 763	37 166
Bank charges	19 819	26 871
Central accounting and levy collection fees	249 779	228 410
Corporate social initiatives	-	-
Credit card commission	141 026	154 798
Directors emoluments	74 000	64 600
Information technology costs	518 740	733 761
Insurance		
- premiums	489 330	171 038
Internal audit fees	19 000	43 758
Licences and permits	50 251	45 579
Loss on repossessed debtors	35 416	24 528
Marketing	-	12 550
Postage	7 752	9 791
Printing and stationery	86 523	125 227
Provision for repossessed debtors	449 062	267 914
Railage, cartage and hire transport	40 352	12 551
Subscriptions	64 343	71 520
SunSwop exchange service	3 543 266	80 343
Telephone	4 337	50 586
Travel		
- management and Directors	27 016	111 449
Vehicles		
- fuel and oil	85 724	101 804
	6 005 699	2 480 550

Sabie River Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements

Detailed Levy Fund Operating Statement - "A" and "C" Class shareholders for the Year Ended 31 December 2020

	2020 R	2019 R
Electricity, water and refuse		
Electric bulbs	59 525	80 294
Electricity	1 151 459	1 686 110
Generator fuel	71 549	100 260
Water	21 618	23 509
	1 304 151	1 890 173
Repairs and maintenance		
Airconditioning	66 599	62 237
Buildings	114 388	56 088
Electrical and mechanical	121 668	160 318
Engineers tools	6 320	8 242
Fire equipment	62 235	95 886
Furniture and fixtures	17 341	19 931
Major repairs and maintenance	361 926	162 567
Office machines	-	2 318
Painting and redecorating	25 194	27 534
Plumbing and heating	112 920	120 700
Radio and TV	68 358	49 435
Room care	-	713 900
Swimming pool cleaning and repairs	109 594	111 525
Security fence	33 799	53 074
Vehicles	20 374	22 495
	1 120 716	1 666 250
Estate maintenance	3 635 090	6 798 390
Capital charges		
Annual report and statutory costs	46 356	(34 319)
Furniture and equipment leases	128 761	169 572
Municipal rates and taxes	212 516	243 947
	387 633	379 200
Personnel costs		
Rooms	1 270 132	2 287 080
Administration and general	1 581 023	2 090 905
Repairs and maintenance	904 203	1 410 194
	3 755 358	5 788 179
Management fee	2 534 712	2 433 908
Total expenditure	24 399 449	29 051 123
Excess of income over expenditure before finance income and taxation	19 964 220	13 613 421
Net finance income		
Net interest received	2 041 430	4 196 050
Excess of income over expenditure before taxation	22 005 650	17 809 471
Taxation	563 965	1 051 188
Excess of income over expenditure after taxation for the year transferred to the "A" and "C" class shareholders reserve for property, plant and equipment	21 441 685	16 758 283

Sabie River Share Block Proprietary Limited

Minutes of the Annual General Meeting of Shareholders for the Year Ended 31 December 2019, held on Thursday, 15 October 2020 at 11h00, at The Pivot, 1 Montecasino Boulevard, Fourways

1 WELCOME AND PREAMBLE

The Chairman of the Company, Mr Marcel von Aulock representing the "B" class shareholders, welcomed all shareholders present to the meeting. The Chairman advised that the meeting had been convened in terms of the notice of annual general meeting ("AGM"), dated 27 July 2020.

The Chairman introduced his fellow Directors, Ms Samantha Croft and Messrs. Lubabalo Tyali, Peter Pienaar, Warren Whiteboy and Johannes van Rooyen representing the "B" class shareholders, as well as the non-executive Directors, Messrs. Raymond Jeffray and Antonio Rossetti representing the "A" and "C" class shareholders. Apologies were tendered on behalf of Messrs. Jaco Boshoff, Ajith Ramsarup and Anthony Ridl. Members of the management team were duly welcomed.

2 QUORUM

The Chairman noted that 23 shareholders were present in person or by proxy, representing a total of 14,050 shares, constituting 7.18% of the Company's issued share capital of 195,550.

The required quorum being present, being at least three shareholders present and holding at least 5% of the share capital, the Chairman declared the meeting properly constituted.

3 NOTICE OF MEETING

All shareholders present consenting, the notice of Meeting dated 27 July 2020 was taken as read.

4 VOTING

The Chairman informed the meeting that voting on the resolutions be taken by means of show of hands. Accordingly, this was agreed by the meeting.

5 ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

The Chairman presented the annual financial statements for the year ended 31 December 2019, together with the reports of Directors, the independent auditors thereon, and the reports of the audit committee, and the social and ethics committee, as contained in the annual report of the Company.

ORDINARY RESOLUTION 1

The Chairman proposed ordinary resolution 1, as set out in the notice convening the meeting, relating to the receipt and adoption of the annual financial statements and accompanying reports contained in the annual report of the Company for the financial year ended 31 December 2019. There were no questions or comments on the resolution.

It was unanimously RESOLVED that the annual financial statements for the year ended 31 December 2019 be and was hereby approved and adopted.

6 APPOINTMENT OF AUDITORS

ORDINARY RESOLUTION 2

The Chairman proposed ordinary resolution 2, as set out in the notice convening the meeting, relating to the appointment of BDO Incorporated ("BDO") as the independent auditors of the Company until the conclusion of the next AGM of the Company. There were no queries or comments on the resolution.

It was unanimously RESOLVED that BDO be and was hereby appointed as the independent auditors of the Company.

7 DIRECTORS

The Chairman reported that, in terms of the Company's memorandum of incorporation ("MOI"), the Board is limited to thirteen (13) directors. The "A" and "C" class shareholders together, being entitled to appoint four (4) directors, the "D" class shareholders being entitled to appoint two (2) Directors and the "B" class shareholders being entitled to appoint the remaining Directors. The "D" class shares have not been issued. He explained that the Directors who retire at this meeting, representing the "A" and "C" class shareholders, but being eligible, are available for re-election. No additional nominations were received.

Sabie River Share Block Proprietary Limited

7.1 ORDINARY RESOLUTION 3.1

The Chairman proposed ordinary resolution 3.1, as set out in the notice convening the meeting, relating to the re-election of Mr Ajith Ramsarup, as a Director. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Ajith Ramsarup be and was hereby re-elected as a Director of the Company.

7.2 ORDINARY RESOLUTION 3.2

The Chairman proposed ordinary resolution 3.2, as set out in the notice convening the meeting, relating to the re-election of Mr Raymond Jeffray, as a Director. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Raymond Jeffray be and was hereby re-elected as a Director of the Company.

7.3 ORDINARY RESOLUTION 3.3

The Chairman proposed ordinary resolution 3.3, as set out in the notice convening the meeting, relating to the re-election of Mr Anthony Ridl, as a Director. There were no questions or comments on the resolution.

One objection was recorded however, it was RESOLVED that Mr Anthony Ridl be and was hereby re-elected as a Director of the Company.

7.4 ORDINARY RESOLUTION 3.4

The Chairman proposed ordinary resolution 3.4, as set out in the notice convening the meeting, relating to the re-election of Mr Antonio Rossetti, as a Director. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Antonio Rossetti be and was hereby re-elected as a Director of the Company.

8 APPOINTMENT OF AUDIT COMMITTEE

The Chairman reported that, in terms of the Company's MOI, the Company is required at each AGM to elect an audit committee, comprising at least three (3) members.

8.1 ORDINARY RESOLUTION 4.1

The Chairman proposed ordinary resolution 4.1, as set out in the notice convening the meeting, relating to the election of Mr Ajith Ramsarup as a member of the Company's audit committee. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Ajith Ramsarup be and was hereby elected as a member of the Company's audit committee.

8.2 ORDINARY RESOLUTION 4.2

The Chairman proposed ordinary resolution 4.2, as set out in the notice convening the meeting, relating to the election of Mr Anthony Ridl as a member of the Company's audit committee. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Anthony Ridl be and was hereby elected as a member of the Company's audit committee.

8.3 ORDINARY RESOLUTION 4.3

The Chairman proposed ordinary resolution 4.3, as set out in the notice convening the meeting, relating to the election of Mr Antonio Rossetti as a member of the Company's audit committee. There were no questions or comments on the resolution.

It was unanimously RESOLVED that Mr Antonio Rossetti be and was hereby elected as a member of the Company's audit committee.

Sabie River Share Block Proprietary Limited

9 INSURED VALUE OF PROPERTY

ORDINARY RESOLUTION 5

The Chairman mentioned that as recommended by independent quantity surveyors, Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property is R350,276,969. Buildings are valued at R304,820,441 and furniture, fittings and equipment are valued at R45,456,528. This excluded the land and golf course. There were no questions or comments.

10 NON-EXECUTIVE DIRECTORS' FEES

SPECIAL RESOLUTION 1

The Chairman proposed special resolution 1, as set out in the notice convening the meeting, relating to the approval of the fees payable to non-executive Directors for their services as Director in respect of the period from 16 October 2020 until the next AGM of the Company. There were no questions or comments on the resolution.

It was unanimously RESOLVED that in terms of the provisions of section 66(9) of the Companies Act 71 of 2008, R7,400 (Vat payable, to the extent applicable to this remuneration), payable to the non-executive Directors of the Company, for their services as Directors and/or members of the sub-committees, or cluster of meetings, in respect of the period from 16 October 2020 until the next AGM of the Company, be and was hereby approved.

11 OTHER BUSINESS

11.1 GENERAL MANAGER PRESENTATION AND REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The Chairman requested Mr Malcolm Bone to present the general manager's presentation and report of the social and ethics committee.

Mr Bone proudly commenced his presentation and gave an overview of the following achievements:

- Organisational Risk Management Systems ("ORMS") risk audit score: 89.8%;
- Guest centricity results: 89%;
- Internal audit by KPMG score: 90%;
- RCI score: 89.8%;
- Awards: TripAdvisor awarded the resort with the certificate of excellence and 2020 Travelers' Choice in the category of Best of the Best, and was awarded top 10 in the 25 hotels for families in Africa award;
- Corporate Social Investment ("CSI"): Another successful Cansa Shavathon event raised R10k for the foundation;
- Progress of the successful Chalet refurbishment; and
- Upgrade of the golf course.

11.2 SHAREHOLDERS' COMMENTS

The following salient comments were received from shareholders and discussed:

- The property and golf course looked amazing and golfers were satisfied with the improvements;
- The refurbishment of Chalets was a huge success however the minor repair workmanship was not to a good quality and the older structures must be well maintained;
- The 10-year capital expenditure budget would be negotiated to consider funding the heating of the swimming pools;
- Fibre cabling was laid for improved Wi-Fi connectivity however there was still an issue with reach and capacity for the Wi-Fi solution. The infrastructure would need to increase to improve the band-width, but this would also increase operating costs;
- An improved DSTV bouquet of 40 channels would soon be available. The smart televisions would link to the Wi-Fi solution as soon it could cope with the demand on the line;
- The patios required maintenance of the facias and roof with six patio areas receiving urgent attention during October and November 2020 and the rest planned for repair or replacement in early 2021;
- A car port solution was investigated, and a mock-up was installed. The option looked unsightly and it was instead agreed by the Board to trim the trees above the vehicles; and
- Payment of levy obligations was not an issue for Sabie River Share Block. The impact during the Coronavirus pandemic ("Covid-10") had mainly seen delayed payments with arranged payment terms rather than non-payment. This had not resulted in an increase in repossessed units, which was a trend seen across all Tsogo Sun Resorts. The levy for 2020/2021 was not increased, to further assist owners during the difficult period and to assist in easing the financial impact of Covid-19.

Sabie River Share Block Proprietary Limited

12 IMPACT OF CORONAVIRUS PANDEMIC (“COVID-19”) ON THE RESORT

The Chairman mentioned that the hospitality industry was undoubtedly one of the hardest hit during Covid-19. The subsequent restrictions were never seen before and Tsogo Sun had to suddenly close 103 hotels within a 3-day period. Some hotels had never been closed in many years of operation. A very slow recovery period was anticipated. The timeshare and resort division of Tsogo Sun was least impacted than the commercial hotel trading division perhaps due to local travel opening and occupancy levels fast increasing with shareholders wanting to have their paid for holiday. People wanted to travel and utilise their weeks. The Chairman had been to Sabi River Sun the previous week and confirmed that the property was operating well, that it looked phenomenal and that all Covid-19 related health and safety restrictions were in place.

Due to the nature of and impact on the industry, some very difficult decisions were made and the hardest, being around staffing. Tsogo Sun staff were laid-off as all costs were reduced as best as possible and staff remained on their reduced shifts and reduced salaries. This was very traumatic for all working in this industry. On behalf of Tsogo Sun, the Chairman thanked Mr Bone and all his staff for the contributions they made during the closure and re-opening of Sabi River Sun. Staff able to work had taken on many other duties to ensure that the property operated efficiently during the closure. Any work that was financially possible and permitted to take place, was also conducted during the forced closure so as to avoid disruption to guests when the property re-opened. International travellers were still not permitted to enter South Africa and take up their holiday.

Mr Bone advised that the risk level 1 currently allowed usage of 50% of floor space in a restaurant space, to comply with social distance requirements. Dining times were negotiated to comply with the restriction and facilitate the capacity on busy evenings. Food and beverage was served from the main kitchen or main bar. The golf bar would operate once demand required a full-time staff member to be on duty.

13 CLOSURE

There being no further business to discuss, the Chairman thanked his fellow Directors and all shareholders for their attendance and declared the meeting closed at 11h37.

