



CHAMPAGNE SHARE BLOCK

NEWSLETTER NUMBER 74- 2021 LEVY

20TH NOVEMBER 2020

EXECUTIVE SUMMARY

As usual, for the very busy, a short summary of the main outcomes. Its rather dry reading but represents many hours of scenario planning and calculations in a very uncertain environment.

OUTCOME 2020

- Some 1870 weeks of revenue were lost to the 19 weeks of the Covid 19 lockdown.
- 11 chalets of the 15 planned were able to be refurbished to a high standard pre lockdown.
- Substantial cost savings were achieved during lockdown by careful management.
- Credits given to owners who lost occupancy were over R15m
- The balance of financial reserves at December 2020 will be R4m.

LEVY 2021

- Cost increases in the budget amount to 4,8% mainly due to increases in insurance and electricity.
- There will be a loss of additional interest revenue due to lower interest rates but taxes will be lower.
- There will be a temporary reduction in spending on our long term projects to reduce the levy increase.
- During 2021, the Board will review the timing of spending priorities in 2021 and beyond on the softs and building refurbishment projects once the financial risks of further Covid restrictions are clearer.
- The levy administration department has had to deal with a large volume of levy credits together with a high volume of booking changes arising from the workings of the flexi system. Should you find your account balance to be incorrect, please accept our apologies and liase with Trudy in our accounts department. She will speedily correct any errors.
- The Outcome is a solidarity budget with an average increase of 3,9% in the levies.

AND NOW THE NEWSLETTER

The almost eerie silence at the resort over the lockdown period brought back wildlife such as bushbuck commonly seen amongst the chalets, and on the golf course. The white fronted bee-eaters were regular visitors even at the clubhouse, whereas before we have only seen them around the edges of the resort. A family of 7 black duck grace the river below the bridge, a pair of eagles roam and otters streak across the golf fairways. It is wonderful to see.

The resort is once again a bustle of activity. The Covid-19 protocols are in full force, with sanitising, social distancing, housekeeping cleaning protocols and so on. The staff are taking their best efforts to keep you safe, but it's each of our individual responsibility to maintain our safe environment so please abide by our protocols when you are at the resort. How times have changed from the newsletter which accompanied the levy last year.



THE AGM

The AGM was held on ZOOM on the 29th of September. There was a decent turnout of some 33 participants with a substantial number of proxies. The AGM booklet had been sent timeously and appeared on the resort site. Protocols were observed and the zoom meeting was orderly. Your Board was re-elected and all the necessary formalities were concluded.

The AGM was a few months later than normal because of the Covid holdups and the Chairman, Jeremy Ridl, noted that 2019 seemed a lifetime away. He added that the resort had been through many changes and was once again ready to deal with what may come. The financial position for 2019 had been well managed and a reserve of some R13,4m had resulted.

Whilst these funds were mostly earmarked for specific projects, as noted in the accounts, they gave the resort the financial space to get through the Covid period. The flexi system presented a complex problem with regard to the treatment of those owners who did not succeed in obtaining a booking. The cancellation policy that was devised has been well received by owners as it was considerate and fair, and the balance of 2020 seemed to be well ordered. He thanked the staff of the resort and the Board for all their hard work in successfully navigating our way through these disrupted times

LEVY BUDGET

Your Directors continue to operate in a very uncertain world and have set the levy for 2021 with the intention of calling on the minimum outlay from our members, whilst not compromising the long term sustainability of the resort for the future.

As background to the levy, the Board had painstakingly over a number of years, built up a sizable reserve together with a long-term plan for the future. The plan was to allow for a phased refurbishment of the chalets, which we called the building refurbishment project. This was to be introduced over two years of higher increases in the levy of some 9,8 % pa, after which normal budget increases would follow, all things being equal.

However, Covid 19 had major effects on the financial health of our resort due to the lock down. It undid the best laid plans of mice and men, and the Board produced a number of financial scenarios to deal with many possible outcomes and decided on a cancellation plan that was workable and fair.

The resort was able re-open in week 32 after 19 weeks of closure and further losses of bookings in the ramp up to normal occupancy. This led to a loss of revenue of over R15m. Substantial cost savings were achieved, and your Board are pleased to advise that the outcome of their efforts is a forecast financial reserve balance of R4m at the end of 2020. The resort had commenced on the building refurbishment program prior to the Covid lockdown, and still managed to complete the refurbishment of 11 of the 15 planned chalets before this project was halted to preserve our funds.

LEVY 2021

As a base, for the budget, inflation was forecast at 4%. Specific increases were for electricity going up at least 15%, and insurance premiums increasing substantially, although still well below the previous 2 years premiums. The budget retained wages at 4%, however, with this being a negotiation year this may be hard to achieve. At the same time, we can expect a substantial shortfall in the additional revenue from interest income due to call rate reductions, however, tax will show a reduction of some R200k accordingly. If these increases were followed the outcome would be an increase of some 4,8%.

It was proposed that we reduce project expenditure to provide for a 3,9% increase to give some relief. This would still allow some project work to be completed so that we don't fall too far behind, and we can still target a reserve replacement over time. During 2021, the Board will review the timing of spending priorities in 2021 and beyond on the softs and building refurbishment projects once the financial risks of further Covid restrictions are clearer.

The levy administration department has had to deal with a large volume of levy credits together with a high volume of booking changes arising from the workings of the flexi system. It is expected that some owners' accounts may not have been correctly billed. The total credits for the system are correct, but there may be some misallocations. Should you find your account to be incorrect, please accept our apologies and liaise with Trudy in our accounts department. She will speedily correct any errors.

A number of owners have already paid their levy for 2020 and not been able to use their week - these amounts will be credited against their 2021 levy.

The levy has increased by 3,9% and the basic A share levy and the Fractional A share levy have gone up by 4% and 2,2% respectively.

The levies approved by your board are as follows:

B SHARE LEVIES FOR 2021

	BASE LEVY	REFURB PORTION	TOTAL LEVY	AFTER DISCOUNT
1 BEDROOM	R 7 033.59	R 1 065.95	R 8 099.54	R 7 492.07
2 BEDROOM	R 7 853.67	R 1 190.23	R 9 043.90	R 8 365.61
3 BEDROOM	R 8 941.77	R 1 355.14	R 10 296.91	R 9 524.64
2 BEDROOM SPLIT	R 4 494.56	R 681.16	R 5 175.72	R 4 787.54
3 BEDROOM SPLIT	R 5 046.51	R 764.81	R 5 811.32	R 5 375.47

FRACTIONAL A SHARE LEVIES FOR 2021

4 BEDROOM			R 14 217.79	R 13 151.46
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PAYMENT OF THE LEVY

Levies are payable by the 1st of January 2021 in order to qualify for the 7.5% discount. However, due to the December break, we allow a grace period to the 31st of January 2021. From this point, the window in which to take your discount is over and interest at 1.25% per month then applies. It is not our intention to penalize our owners, but to see that at least the specific additional costs of delayed payments, including sending out additional statements, are borne by those specific owners.

If you pay by credit card, please note that we are no longer allowed to accept card details without the card holder present. It's one of those policies adopted by the banks to lesson fraud. If you wish to pay by card, please e-mail Trudy at shareblock@champagnesportsresort.com or contact her at the office on 031-8153906 and she will provide you with a secure link to our online payment gateway.

If you pay by EFT, it's very important that you please include your account number as reference and send your deposit advice either by email to shareblock@champagnesportsresort.com or by fax to 031-7655195. As so many amounts are the same, this avoids confusion. The share block office in Hillcrest will be closed from the 16th of December 2020 to the 2nd of January 2021. E-mails for administrative matters will be dealt with from the 4th of January 2021.

The bank account details are as follows:

Standard Bank – Hillcrest
Account No. 250831686
Branch code 045726

OWNER MATTERS

THE HOTEL RENTAL POOL

With the disruptions that Covid has brought, the hotel pool may be a more necessary than ever for some owners. Unfortunately, the pool can only be maintained for as long as it is viable to do so, and this will be reviewed by the hotel this year and may be heavily reduced in future due to reduced demand. For this year the hotel will accept only 150 weeks, at 75% of the levy and the owners will need to pay in the remaining 25% of the levy, which includes the refurbishment portion. The hotel reserves the right to amend this service should economic conditions deteriorate further.

BOOKING CALENDAR

The booking calendar is attached at the end of the newsletter – it is already open for bookings. Please contact Connie at the resort on 036-4688092 or e-mail timeshare@champagnesportsresort.com to make your bookings.

PROJECT TIMING AND FUNDING

The reserve is expressed in Silos to signify the planned project spends over time. These have detailed studies as background to them. The studies allowed a certain flexibility of use of these reserves. The Covid losses have, of course, come directly off the reserves and we will need to build them up again and get back onto the critical path of implementation. This interruption will most certainly extend the programs into the future but we are committed to maintain the resort on the high road. To that end, we will continue the roll out the refurbishments, but at a slower pace for the time being. However, we will hold up spending until about March next until we can re-evaluate any Covid second wave effects. The Board are keen to complete the 5 chalet refurbishments remaining in the original 20 chalets and to commence on some softs replacements in 2021 should we have the financial space to do so. The fund flows are carefully planned for this.

DSTV

We're starting with this as it is good news, and something that owners have requested for a long time – the installation of a DSTV system in the chalets at basically the same monthly cost as before. And it was able to be done for a one-off spend of some R230k for the installation. The dishes and decoders provide a better quality of service with an increased bouquet of channels. The original IT connectivity project had two phases, the first phase was connectivity and the second phase was an improved TV service. Due to a new service offering from DSTV, at least we've achieved the second phase with only a small spend. We have had our first electrical storm and the system survived whereas the old cables underground were constantly being damaged.

THE PUZZLES OF THE RESET

The flexi system comes with a lot of challenges and a lot of moving parts to make sure it does not go horribly wrong. In practice, the system is way more complex than originally envisaged. A key management area is the avoidance of empty weeks, especially in January when in some years we can have 60% potentially empty space. Of course, we don't let that happen and minimise it by bulk banking with RCI and other actions. We need a mechanism to recover those levies and a methodology as to how any shortfall is dealt with. This year the school holiday pattern is rather different as a result of the Covid disruptions. We ask those owners who can, to book as soon as possible into those early times of the year. It will help enormously with keeping the balance of occupancy for everyone.

LOSKOP SCHOOLS PROJECT

A reminder - when you come up please bring books, and in fact anything the local schools can use like sports kit, balls, boots, sports clothing etc. We all have sporting junk lying around - even old bikes – leave it at reception. You can be sure it will be appreciated in our Loskop community.

IN CONCLUSION

Andries Brink, our new GM (whilst Philip West takes on the role of Resort Director) was certainly thrown in at the deep end with Covid arriving within just a couple of months of joining us. Together with the staff they have taken on the detailed management of the protocols and we thank them and the staff for the dedication they have shown. May I also thank our directors for the many hours of their private lives given freely to the wellbeing of Champagne Share Block.

And may we wish you all compliments of the season and good health. The resort is looking wonderful and is waiting to enchant you!

With Warm Regards,

Your Managers

CHAMPAGNE SHARE BLOCK LIMITED (REG 1956/003056/06)

DIRECTORS : MR J. RIDL (CHAIRMAN), MR R. BOWDEN, MR C. DA COSTA, MR S. FREDERIC, MR R. ERASMUS,
MRS M. DE LIMA, MRS N. FELDON, MR L. NCUBE, MR S. MACQUET & MR R. MACQUET

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BOOKING CALENDAR 2021

WEEK	NTL	TVL	OFS	CP	RCI	OCC DATE		KWAZULU	GAUTENG	FREE	WESTERN
						DAY	DAY	NATAL	NORTH PROV	STATE	CAPE
						IN	OUT	FSSMTWT	MPUMALANGA	FSSMTWT	FSSMTWT
1	P12	P12	P12	P12	*	01-Jan	- 08-Jan	*****	*****	*****	*****
2	HF	HF	HF	HF	*	08-Jan	- 15-Jan	*****	*****	*****	*****
3	HF	HF	HF	HF		15-Jan	- 22-Jan	*****	*****	*****	*****
4	HF	HF	HF	HF		22-Jan	- 29-Jan	*****	*****	*****	*****
5	MF	MF	MF	MF		29-Jan	- 05-Feb				
6	MF	MF	MF	MF		05-Feb	- 12-Feb				
7	MF	MF	MF	MF		12-Feb	- 19-Feb				
8	MF	MF	MF	MF		19-Feb	- 26-Feb				
9	MF	MF	MF	MF		26-Feb	- 05-Mar				
10	MF	MF	MF	MF		05-Mar	- 12-Mar				
11	HF	HF	HF	HF		12-Mar	- 19-Mar				
12	HF	HF	HF	HF		19-Mar	- 26-Mar				
13	HF	HF	HF	HF		26-Mar	- 02-Apr	***	***	***	***
14	P1	P1	P1	P1	*	02-Apr	- 09-Apr	*****	*****	*****	*****
15	P2	P2	P2	P2	*	09-Apr	- 16-Apr	****	****	****	****
16	HF	HF	HF	HF		16-Apr	- 23-Apr				
17	HF	HF	HF	HF		23-Apr	- 30-Apr				
18	HF	HF	HF	HF		30-Apr	- 07-May				
19	MF	MF	MF	MF		07-May	- 14-May				
20	MF	MF	MF	MF		14-May	- 21-May				
21	MF	MF	MF	MF		21-May	- 28-May				
22	MF	MF	MF	MF		28-May	- 04-Jun				
23	MF	MF	MF	MF		04-Jun	- 11-Jun				
24	HF	HF	HF	HF		11-Jun	- 18-Jun				
25	HF	HF	HF	HF		18-Jun	- 25-Jun				
26	P3	P3	P3	P3	*	25-Jun	- 02-Jul	*****	*****	*****	*****
27	P4	P4	P4	P4	*	02-Jul	- 09-Jul	*****	*****	*****	*****
28	P5	P5	P5	P5	*	09-Jul	- 16-Jul	****	****	****	****
29	HF	HF	HF	HF		16-Jul	- 23-Jul				
30	HF	HF	HF	HF		23-Jul	- 30-Jul				
31	MF	MF	MF	MF		30-Jul	- 06-Aug				
32	MF	MF	MF	MF		06-Aug	- 13-Aug				
33	MF	MF	MF	MF		13-Aug	- 20-Aug				
34	MF	MF	MF	MF		20-Aug	- 27-Aug				
35	MF	MF	MF	MF		27-Aug	- 03-Sep				
36	MF	MF	MF	MF		03-Sep	- 10-Sep				
37	HF	HF	HF	HF		10-Sep	- 17-Sep				
38	HF	HF	HF	HF		17-Sep	- 24-Sep	**	**	**	**
39	P6	P6	P6	P6	*	24-Sep	- 01-Oct	*****	*****	*****	*****
40	P7	P7	P7	P7		01-Oct	- 08-Oct	****	****	****	****
41	HF	HF	HF	HF		08-Oct	- 15-Oct				
42	HF	HF	HF	HF		15-Oct	- 22-Oct				
43	MF	MF	MF	MF		22-Oct	- 29-Oct				
44	MF	MF	MF	MF		29-Oct	- 05-Nov				
45	MF	MF	MF	MF		05-Nov	- 12-Nov				
46	MF	MF	MF	MF		12-Nov	- 19-Nov				
47	MF	MF	MF	MF		19-Nov	- 26-Nov				
48	HF	HF	HF	HF		26-Nov	- 03-Dec				
49	HF	HF	HF	HF		03-Dec	- 10-Dec	***	***	***	***
50	P8	P8	P8	P8	*	10-Dec	- 17-Dec	*****	*****	*****	*****
51	P9	P9	P9	P9	*	17-Dec	- 24-Dec	*****	*****	*****	*****
52	P10	P10	P10	P10	*	24-Dec	- 31-Dec	*****	*****	*****	*****
53	P11	P11	P11	P11	*	31-Dec	- 07-Jan	*****	*****	*****	*****

1) ALL WEEKS, BOTH MF & HF ARE RED WEEKS FOR RCI EXCHANGE PURPOSES.

2) THIS CALENDAR IS A FRIDAY TO FRIDAY CALENDAR.

3) NOTE SHOULD THE SCHOOL HOLIDAYS CHANGE THEN ANY FLEXI WEEK BOOKING WHICH IS IN PEAK SPACE AFTER ADJUSTMENTS

FOR A CHANGED HOLIDAY SHALL BE CANCELLED AND SUCH OWNER WILL BE ADVISED AND WILL HAVE TO RE-BOOK.

FOR BOOKINGS, AVAILABILITY AND SPACEBANKS, PLEASE CONTACT CONNIE ON TEL 036-4688092 OR E-MAIL timeshare@champagnesportsresort.com