

CHAMPAGNE SHARE BLOCK LTD



ANNUAL GENERAL MEETING 2021



CHAMPAGNE SHARE BLOCK LIMITED

REG. NO. 1956/003056/06

FORM OF PROXY

I/ WE

(NAME IN BLOCK CAPITALS)

OF SHARE BLOCK NO BEING A MEMBER / MEMBERS

OF CHAMPAGNE SHARE BLOCK LIMITED AND ENTITLED TO VOTES, HEREBY APPOINT

.....

OF

OR FAILING HIM / HER,

OF

OR FAILING HIM THE CHAIRMAN OF THE MEETING AS MY/OUR PROXY TO ATTEND AND VOTE ON MY/OUR BEHALF AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 11AM ON **28th JUNE 2022**, OR AT ANY ADJOURNMENT THEREOF, AS FOLLOWS:

SIGNED THIS DAY OF **2022**

.....
SIGNATURE: ASSISTED BY ME (WHERE APPLICABLE)

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company.
2. Proxies must be deposited at (delivered or faxed or e-mailed to) the offices of the Managing Agent not less than **48 (forty-eight) hours** before the appointed time of the meeting.

CHAMPAGNE SHARE BLOCK LIMITED

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF CHAMPAGNE SHARE BLOCK LIMITED IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 WILL BE HELD ONLINE ON ZOOM AT 11AM ON TUESDAY THE 28TH JUNE 2022.

Zoom Meeting ID: 861 7215 3758

Passcode: 412875

Link to Meeting: <https://us02web.zoom.us/j/86172153758?pwd=ZmJzYytUeE4zYStvMDhNRmdFNFArUT09>

AGENDA

1. Welcome
2. Notice Covering the Meeting
3. Apologies and Proxies
4. Confirmation of the Minutes of the previous Annual General Meeting held online on Zoom on the 28th September 2021.
5. Chairman's Report
6. Levy and Finance
 - 6.1. Financial Report 2021
 - 6.2. 2022 Levy Approval
 - 6.3. Insurance Values
 - 6.4. Reserve Allocations and Expenditures
7. To receive, consider and adopt the Annual Financial Statements in respect of the year ended 31 December 2021 together with the reports of the Directors and Auditors thereon, circulated herewith
8. Approval of the Auditors remuneration as reflected in the financial statements
9. Appointment of the Auditors
10. Appointment of Secretary
11. Election of Directors
12. Association Meetings
 - 12.1. Section 21 – Champagne Sports & Raquet Association
 - 12.2. The Club - Champagne Sports & Racket Club
13. General

Any member of the company entitled to attend and vote at a General Meeting may appoint another person as his proxy to attend and speak and upon a poll, vote in his stead. A proxy form duly completed should be returned to reach the registered office, being Champagne Share Block Ltd at 12-16 Old Main Road, Block C, Lillies Quarter, Hillcrest, 3610 or P O Box 763, HILLCREST 3650, FORTY EIGHT HOURS before the time of the meeting. This may also be faxed to: 031 765 5195 or emailed to: shareblock@champagnesportsresort.com

BY ORDER OF THE BOARD
S.J Macquet (Director)



CHAMPAGNE SHARE BLOCK LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING 2020

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF CHAMPAGNE SHARE BLOCK LIMITED IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 HELD ONLINE ON ZOOM AT 11AM ON THE 28th SEPTEMBER 2021.

1. WELCOME

JR welcomed the shareholders. He advised that primarily for safety, Zoom is used as a platform, and online meeting protocols would need to be observed using the Zoom tools available for good order.

2. NOTICE COVERING THE MEETING

Notice of the meeting was taken as read. The attendance recorded was 27 participants. There was clearly a quorum and the meeting was properly convened.

3. APOLOGIES & PROXIES

Director L. Ncube tendered his apologies.

Brenda Bryant, Andrea Stainbank, and Penny Jane Bryan also tendered their apologies.

The Chairman noted a number of proxies which could be used if voting was required.

4. MINUTES OF THE PREVIOUS AGM (2019)

The minutes of the Previous Annual General Meeting for 2019, held on the 29th September 2020 were approved, with the correction of the words , “Needing to book” on page 3.

5. CHAIRMAN’S REPORT

The chairman noted that his report had been fully circulated and he chose to highlight some specific factors. At the outset, he noted that this meeting is held in tandem with that of the Champagne Sports and Raquet Association (CSRA) and the Champagne Sports and Racket Club (CSRC), the Club as a part of the original documentation of the scheme and the Association as a requirement of the Town planning Scheme for the area.

Considering the Covid circumstances, and the huge range of possible outcomes, the Chairman characterized the year as a net positive, notwithstanding the financial cost. Instead of sustainability being our main guide, this became financial survival. The tools for that survival came from within, due to the healthy reserves that had been developed. The next objective was to keep our shareholder body intact. This was achieved with an ubuntu / solidarity arrangement where anyone who did not get occupancy, got a levy credit. The fairness of this could also not be faulted.

It did, however, require some assistance and, notwithstanding their own precarious situation, this was provided by the hotel giving up their occupancy rights and thus receiving credits themselves as well. In addition, HPF, the hotel property owners, and the hotel shareholders also came to the rescue by being very accommodating. Our members are grateful for that assistance. No government assistance was received except for the TERS payments for the staff, which were heavily delayed.

The financial report would be led by Mr Rob Bowden. We had a revenue shortfall of R16m relative to budget due mainly to the lockdown periods where owners received credits on their levies, which was offset by some R7m in savings relative to budget resulting in a R9.6m reduction in the reserve from R13.4m to R3.8m. This is evidenced in great detail in the audited accounts and the various schedules and management accounts attached to this AGM booklet.

In short, it has been an interesting year and the company and its stakeholders have come through very well. The Chairman noted his thanks to Champagne Sports Resort and to the Board.

6. LEVY AND FINANCE

6.1 Financial Report 2020

Rob Bowden (RB) noted, using round numbers, the main outcome as being a reduction of R9m in the reserve from R13m to R4m. This was despite a shortfall in levy and interest revenue of some R16m. He referred to the balance sheet on Page 19, where the reserves had dropped from R13,4m to R3,76m This was financed by an increase in levies prepaid due to unused levy payments, a reduction in certain creditors and the stock reduction of some R4m being a source of funds as materials were used in the refurbishment program of the chalets.

The income statement indicated the revenue reduction of R13m on the previous year - R16m against budget (Best illustrated in the management account detail) with some R6m of cost savings relative to budget. (Operating costs were reduced by some R4m but R4.9m was spent on the refurbishment project).

The individual variances are disclosed in detail in the management accounts. RB noted that in his view the presentation by management was excellent and transparent, and recommended that the accounts be adopted.

In reply to various questions from the floor, R Macquet noted the revenue shortfall was made up of 1729 weeks of lockdown time and then further unavoidable losses of time on the ramp-ups to opening again. This at various levy values gave the revenue loss.

On the tax position, R Macquet noted that, in share block companies, a small quantum of commercial income and interest from the bank and members (with a small deduction of R50k allowed as a single lump sum) was taxable. Thus, tax is payable notwithstanding the deficit.

The accounts were approved.

6.2 2020 Levy approval

A detailed analysis of the levy increase had been provided to our owners in a newsletter. The levy had increased by only 3.8% for B shares, 2.2% for fractional A shares and was set at R1657 for the externally owned A shares. This was a solidarity budget taking into account the covid difficulties. However, it still allowed for refurbishment to continue.

As to a question of sustainability in these difficult times, R Macquet noted that the company has R8m of project funds in the budget, with only R3m allocated at this point. This would allow for 600 weeks of levy loss as a stress test measurement. There are also the existing financial reserves of a similar number.

The floor noted that there were certain risks in the flexi system during covid where a specific space could not be allocated to a specific owner and the financial risk where the bulk / space banking imbalances became severe.

The Levy budget was approved.

6.3 Insurance Values

The risk / benefit had been historically so low with 3 units lost out of the 100 odd on the site over 30 years. Past assessors had suggested fire retardants on the thatch and lightning conductors. Champagne Valley resort had them and had higher claims for a smaller resort.

The Insurance values were approved.

6.4 Reserve Allocations and Expenditures

These appear in the accounts and are logically allocated by the Directors. They were part of the long-term financial plan of the resort to keep the units and the resort up to a high standard. The deficits have decimated these balances. The Boards task will be to gradually rebuild the reserves and bring the spend on these refurbishments back into line with the long-term plan. The balance will be between, either a lower standard for longer, or an increased levy for a time to catch up to the plan.

7. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the year ended 31 December 2020, together with the reports of the directors and the auditors, were adopted.

8. APPROVAL OF THE AUDITOR'S REMUNERATION

The auditor's remuneration as reflected in the financial statements was approved.

9. APPOINTMENT OF THE AUDITORS

Wildner & Company were appointed for 2021.

10. APPOINTMENT OF SECRETARY

The Appointment of Priya Balakisten was approved with thanks.

11. ELECTION OF DIRECTORS

The existing directors, being Jeremy Ridl, Rob Bowden, Roger Macquet, Stephen Macquet, Syd Frederic, Mara de Lima, Carlos Costa, Innocent Ncube, and Noelene Feldon were unanimously re-elected. Riaan Erasmus from HPF / Tsogo Sun resigned and Samantha Croft was elected to replace him as the second HPF / Tsogo representative on the board.

12. ASSOCIATION MEETINGS - These associations require formalities of approval for the record.

12.1 Section 21 – Champagne Sports & Raquet Association

This is a town planning requirement to have oversight of the combined resort. It was noted that the minutes for the above Association require separate approval. The report and minutes were approved. The directors were re-elected.

12.2 The Club - Champagne Sports & Racket Club

This is a relic of the original structure that needs annual approval as it constitutes part of our suite of documents. It was noted that all statutory requirements were complied with within this meeting and were adopted for the purpose of the Club's Annual General Meeting.

13. GENERAL

- The chairman noted the various matters requiring action, being water rights, land claims, the security fence, and the risk posed by imbalances in the flexi system.
- The floor noted additional external factors that posed a risk to the company, such as municipal competencies, and civil unrest, as well as societal risks to the company, such as arrears on resale, the aging shareholder profile and emigration.
- Note was taken of a suggestion from the floor that these be treated as a risk analysis, grouping negative effects and their mitigation strategies. R Macquet noted that there are risk notes in the notes to the Balance Sheets.
- A note was taken of Drakensberg Sun, not allowing access to their walks when busy.
- A special vote of thanks was given to the board from the chairman, and a special vote of thanks was given to the staff of Champagne Sports Resort by the directors and the owners.

The meeting ended.

CHAMPAGNE SPORTS & RAQUET ASSOCIATION

MINUTES OF THE ANNUAL GENERAL MEETING 2020

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF CHAMPAGNE SPORTS & RAQUET ASSOCIATION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 HELD ONLINE ON ZOOM AT 11AM ON THE 28th SEPTEMBER 2021.

CHAIRMAN: J Ridl

PRESENT: RJ Macquet, SJ Macquet, R Bowden, P Balakisten, S Frederic, M De Lima, C Da Costa

1. WELCOME

Shareholders were welcomed. The chairman confirmed a quorum was present.

2. NOTICE COVERING THE MEETING

The meeting was properly convened and notice of the meeting was taken as read.

3. APOLOGIES & PROXIES

None

4. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The minutes of the AGM were taken as read and approved.

5. CHAIRMANS REPORT

It was noted that the section 21 company arose due to the requirement of the town planning scheme. The section 21 company in effect acts as our own local authority. The representatives are 4 members of the board of CSB and 4 members representing HPF Properties (Pty) Ltd.

The main duties of CSRA are to maintain the servitudes, to see to architectural conformities of any developments, to see to common infra-structure and any other matters pertaining to the shared use of properties belonging to its members.

In terms of activity, it was noted that developments were taking place and had been approved, that the infra-structure was in good order, that the servitudes over the area of the water plant and the sewage plant were still to be registered. The servitude through the main gate was agreed and would be registered.

There were no further matters to report.

6. ELECTION OF MEMBERS

The members were re-elected.

7. ANNUAL FINANCIAL STATEMENTS

It was noted that there were no transactions. The annual financial statements were a formality, which is approved.

8. APPOINTMENT OF AUDITORS

Wildner & Co were appointed as auditors.

9. APPOINTMENT OF COMPANY SECRETARY

Mrs Priya Balakisten was reappointed.

The meeting ended.

CHAMPAGNE SHARE BLOCK LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDING DECEMBER 2021

INTRODUCTION

I said last year that 2020 already feels like a lifetime ago – now it's like two lifetimes. And 2021 feels about the same. Actually, in practice the outcome could have been so much worse, and our company came out of it well considering all the uncertainty. We were able to rely on our solid foundations.

I have pleasure again in submitting this report in respect of the company's activities for the financial year ended 31 December 2021. I usually begin with a fairly detailed description of our corporate structures and arrangements. Holding meetings by Zoom, and with the website full of information, rather than reviewing details of our structures, I refer you to previous years' AGM booklets, all easily accessible on the website, which outline and explain the structures and arrangements in place for our company. It is technical material, but necessary for a full understanding of the company. I encourage you to be as informed as possible, and to ask if you are not clear about anything. We pride ourselves in our transparency.

A ROLLER COASTER IN THE FACE OF ADVERSITY

I've characterized this year as a "roller coaster in the face of adversity". Your Board has dealt with many uncertainties this year – a veritable juggling act – swinging from talks about sustainability to survival strategies to actually ending up with a surplus, and that after having refurbished some units. So, a rollercoaster of a year, of some good and some bad, but an acceptable final outcome.

I will explain some of the factors that made the pieces all fall into place.

Operationally, with owners clamoring to book, and a reduced level of space availability owing to lockdown effects, the hotel made it work for us by giving up their booking rights in 2020 and did that again in 2021. Financially, the hotel and HPF, the hotel property owner, even with their own vulnerabilities, were very accommodative to our company at some financial cost and we owe them a thank you. We are fortunate to have them as our "partners" in the resort.

The other important feature was that we could do it ourselves. Having built up our reserves towards the refurbishment programs, we could use that financial resource to balance our funding deficits. It does of course mean that we will have to consider how to get the refurbishment programme back on track. That is not to say that there was no refurbishment, but more on that later.

This has been a difficult period for the resort industry, and indeed the whole country. First, we had Covid, and just as we began to emerge from that, the unrest in July 2021. More recently the war in the Ukraine and its economic knock-on effects have provoked food and fuel price increases, pushing up inflation and the cost of living. Political uncertainty with the possibility of more social unrest, is ever present. Corruption remains rife and the perpetrators go largely unpunished. We are not done with Covid, and we will continue taking the effects into account. Planning and budgeting in gloomy times is challenging!

Our approach as a board has been to work with this reality and make the best of a bad thing. We have every reason to be positive about our resort and will do our best to ensure that it continues to shine in these dark days.

FINANCIAL OVERVIEW 2021

Whilst this report is for the year ended Dec 2021, because of the roller coaster effects, the content of this report feels more than normally intertwined between 2020, 2021 and 2022. Looking at it on the surface, we got through 2020, but with a deficit of R9m. That deficit was turned to a surplus of R2m in 2021. Despite the hard times in 2020 we managed to upgrade 15 units, and provide improved DSTV. In 2021 we upgraded another 5 units, giving 20 upgraded units over the two-year period. In 2022 we are tackling 5 more unit upgrades and will also be providing Wi-Fi to the chalets, all planned and budgeted. Progress in the face of adversity.

In 2020 we had total shutdowns of the resort with some savings in costs. In 2021 we had more than six changes in Covid regulations, affecting occupancy one way or another by affecting owners' ability to book, often at the last minute as the lockdown regulations eased. After losing over 1800 weeks of occupancy in 2020 this was reduced to some 250 in 2021. However, this was at the cost of a high and lumpy level of bulk banking, with unforeseeable long-term effects, which at this stage, are carried by the hotel. The specific set of characteristics of a flexi resort relative to a normal fixed-week resort, result in this problem of bulk banking imbalances. We have kicked this can down the road for the time being, so to speak, but raise it as a note under the financial report as a potential financial risk to our company, and not only the hotel.

At a revenue level, levy credits resulted in a levy revenue reduction of R13m in 2020, which was reduced to only R2m in 2021. Interest income was also a bit below budget owing to timing as we refurbished units early in the year. Fortunately, discounts were below budget – a meaningful number at nearly R300k.

The attachments to the booklet contain detailed management accounts to support the audited accounts. Some cost centres worthy of mention are, for example, insurance which ended R37k below budget but with the threat of major increases, and municipal rates which were R70k below budget because of increased rebates during Covid. Maintenance costs were managed according to our assessment of cash flow risks, bearing in mind, we have no borrowing powers. Thatching for example was above budget with excessive rain damage which is occurring again this year. The resort operated throughout the year which meant our cost base continued notwithstanding the booking situation.

Once again, the carefully crafted 2021 budget has been undone but we still end up with an increase in reserves of R2m, giving us a total reserve approaching some R6m. This is after spending about R2m of project funds on upgrading 5 more chalets. As a necessary formality, this meeting will need to approve the accounts.

LEVY BUDGET 2022

We confirm our levy budget retrospectively, as we are already six months into its spending. It is a feature of many share block companies and is how we were structured initially.

Levy Approval - Once again brains were racked as to how to approach the levy in these difficult times. The company has some R6m in reserves, put aside for refurbishment, but useable in emergencies if need be. Remember our company has a no-borrowings rule so our funds must be internally sourced. The result of the budgeting process was a 6.5% increase for B Shares, a 6.1% increase for Fractional A Shares and a similar increase for the externally owned A Shares of R1765. This was also communicated in some detail in our newsletters. As a necessary formality, I ask the shareholder body to approve this.

POINTERS FOR 2022

We are all aware of the forces at work in the economy, resulting from the many worldwide disruptions at play. We need to deal with major cost increases relating to energy, staffing, increased travel costs, insurance, and a general rise in inflation.

We only increased the levy for 2022 by some 6.5%, taking a general inflation forecast of 5% and some specific known or estimated increases above that, largely administered costs as usual. This will now be inadequate so the Board may need to use some of the reserve. The fibre and internet project is under way, at some R2.7m. We have reduced the chalet refurbishment to five units this year, fewer than we had hoped, but progress nonetheless. The Board hopes to have struck a good balance by meeting our owners wishes without compromising our financial security.

Our refurbishment budget does not go as far as it did last year. For example, the cost of aluminium doors is up nearly 30% from the same time last year. We must remember that cumulatively we are already way behind the curve in terms of the originally planned timing of refurbishment and there is going to be some work done on this. Again, we will need to re-prioritise our already re-prioritised refurbishment programs in the next budget. Will we need to adopt a solidarity budget again or a rebuilding one? Watch this space!

GENERAL

Water Rights

The position of water rights has not changed. We have appointed a consultant to begin the process of regularising all our water rights, so these are never placed at risk or in doubt.

Land Reform

This item must remain on the agenda. Like water, land is a key issue in our country's future and is an area of contestation.

Security

We improved security during the lockdown and unrest as a precaution, but not because of any direct threats against the resort.

Zoom Meetings

Whilst we miss our interactions on the resort property at our AGM's, we can't ignore that it is environmentally friendly as it reduces the carbon footprint of our meetings dramatically, and saves travel costs. The online attendance has been gratifying.

Fence

This matter remains on the report so should owners feel the need to increase security, now is the time to raise it and hear the very large costs that go with it.

MOI

The MOI has not been able to be dealt with in this roller coaster of a year. In the interim our company has sound foundations.

The Flexi Resort Problem

This matter has been raised in the body of my report. However, for good order, we carry this subject under risks with the possible difficulties that could arise if imbalances between the bulk banking and space banking become large. The imbalances carried by the hotel, will play themselves out in the future.

IN CONCLUSION

Did I say a roller coaster? And the unrest mid-year which again caused havoc amongst our owner bookings with trucks burning on the freeways and so on. But we came through it.

I wish especially, to thank our shareholder body, who did not desert us when times got tough. To our owners then, our managers and staff, and to HPF / Southern Sun your loyalty and support are greatly appreciated.

Finally, I express my grateful thanks to the Board for their work and commitment. I could not have asked for more from them.

Thank you.



JEREMY RIDL
Chairman

CHAMPAGNE SHAREBLOCK LIMITED

(Registration number 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Wildner Incorporated
Chartered Accountants (SA)
Registered Auditors

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Issued 18 May 2022

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Shareblock company
Directors	W.R.H. Bowden C.F. Da Costa M. De Lima A.P.S. Frederic R. J. Macquet S. J. Macquet S. Croft J.A. Ridl N. Feldon I.C. Ncube
Registered office	12-16 Old Main Road Block C Lillies Quarter Hillcrest 3610
Postal address	PO Box 855 Hillcrest KZN 3610
Auditors	Wildner Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	P. Balakisten
Company registration number	1956/003056/06
Tax reference number	9117/306/84/6
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

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Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5 to 6.

The annual financial statements set out on page 7 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 18 May 2022 and were signed on its behalf by:



Director



Director

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Champagne Shareblock Limited for the year ended 31 December 2021.

1. Nature of business

Champagne Shareblock Limited was incorporated in South Africa.

The company operates as a shareblock company, on a timesharing basis, which affords the members the right to occupy a unit in accordance with the occupancy agreements, which are related to specific owners shareholding. The company's expenditure is defrayed from levies collected by members.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

W.R.H. Bowden
C.F. Da Costa
M. De Lima
A.P.S. Frederic
R. J. Macquet
S. J. Macquet
S. Croft
J.A. Ridl
N. Feldon
I.C. Ncube

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors have assessed the impact of the lockdown and the known phased recovery of economic activity plans and believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient capital reserves to meet its foreseeable cash requirements. The directors are not aware of any other material changes that may adversely impact the company, apart from the unknown future impact of COVID-19 and related government actions as mentioned above. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

Wildner Incorporated continued in office as auditors for the company for 2021.

Independent Auditor's Report

To the Shareholders of Champagne Shareblock Limited

Opinion

We have audited the annual financial statements of Champagne Shareblock Limited (the company) set out on pages 7 to 17, which comprise the statement of financial position as at 31 December 2021, statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Champagne Shareblock Limited as at 31 December 2021, 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 for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the 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 annual 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 "Champagne Shareblock Limited annual financial statements for the year ended 31 December 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 19 to 20. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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

We communicate with the 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.



Wildner Incorporated
C.R. Scott
Director
Chartered Accountants (SA)
Registered Auditors

18 May 2022
Hillcrest

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

Figures in Rand	Notes	2021	2020
Assets			
Current Assets			
Inventories	2	324 383	866 946
Other financial assets	3	3 296	-
Trade and other receivables	4	1 061 045	1 216 903
Current tax receivable	5	7 489	-
Cash and cash equivalents	6	17 599 680	14 963 063
		18 995 893	17 046 912
Total Assets		18 995 893	17 046 912
Equity and Liabilities			
Equity			
Share capital	7	250 000	250 000
Retained income		5 801 397	3 767 847
		6 051 397	4 017 847
Liabilities			
Current Liabilities			
Trade and other payables	8	10 527 017	12 932 493
Other financial liabilities	9	2 417 479	-
Current tax payable	5	-	96 572
		12 944 496	13 029 065
Total Equity and Liabilities		18 995 893	17 046 912

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Performance

Figures in Rand	Notes	2021	2020
Revenue			
Levy		39 353 874	23 506 492
		39 353 874	23 506 492
Other income			
Interest received		1 035 382	1 361 664
		1 035 382	1 361 664
Total income		40 389 256	24 868 156
Operating expenses			
Administration and sundries			
A Share expenses		1 125 207	950 023
Auditors remuneration		55 284	53 158
Bank charges		101 112	83 214
Common facilities		19 791 550	16 282 063
CSOS Levy		29 050	28 603
Diesel		246 145	211 619
Discount allowed		2 196 207	1 660 792
Food and consumables		304 969	204 919
Insurance		291 747	260 431
Laundry and guest supplies		435 619	292 708
Management fee		1 251 376	1 203 246
MNET subscriptions		422 697	290 342
Pest control		89 183	95 531
TV licenses		16 169	15 727
		26 356 315	21 632 376
Municipal charges			
Assessment rates & municipal charges		427 153	433 465
Electricity		1 963 889	1 354 396
		2 391 042	1 787 861
Maintenance			
Cleaning		117 998	79 287
Repairs and maintenance		9 221 546	10 658 275
		9 339 544	10 737 562
Total operating expenses		38 086 901	34 157 799
Operating profit (loss) for the year		2 302 355	(9 289 643)
Finance costs	12	(1 894)	(10 041)
Profit (loss) before taxation		2 300 461	(9 299 684)
Taxation	13	(266 911)	(348 627)
Profit (loss) for the year		2 033 550	(9 648 311)

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 January 2020	250 000	13 416 158	13 666 158
Loss for the year	-	(9 648 311)	(9 648 311)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(9 648 311)	(9 648 311)
Balance at 01 January 2021	250 000	3 767 847	4 017 847
Profit for the year	-	2 033 550	2 033 550
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2 033 550	2 033 550
Balance at 31 December 2021	250 000	5 801 397	6 051 397
Note	7		

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in Rand	Notes	2021	2020
Cash flows from operating activities			
Cash used in operations	15	(440 082)	(83 716)
Interest income		1 035 382	1 361 664
Finance costs		(1 894)	(10 041)
Tax paid	14	(370 972)	(283 633)
Net cash from operating activities		222 434	984 274
Cash flows from investing activities			
Purchase of financial assets		(3 296)	-
Sale of financial assets		-	397
Net cash from investing activities		(3 296)	397
Cash flows from financing activities			
Proceeds from other financial liabilities		2 417 479	-
Repayment of other financial liabilities		-	(2 491 162)
Net cash from financing activities		2 417 479	(2 491 162)
Total cash movement for the year		2 636 617	(1 506 491)
Cash at the beginning of the year		14 963 063	16 469 554
Total cash at end of the year	6	17 599 680	14 963 063

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.3 Inventories

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

1.4 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1.4 Share capital and equity (continued)

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.5 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
2. Inventories		
Operational stock	228 177	228 177
Refurbishment stock and work in progress	96 206	638 769
	324 383	866 946
3. Other financial assets		
At amortised cost		
Network Finance (Pty) Ltd	3 296	-
Current assets		
At amortised cost	3 296	-
4. Trade and other receivables		
Prepayments	54 348	11 796
Trade receivables	903 311	1 173 147
VAT	103 386	31 960
	1 061 045	1 216 903
5. Current tax receivable (payable)		
Normal tax	7 489	(96 572)
Net current tax receivable (payable)		
Current assets	7 489	-
Current liabilities	-	(96 572)
	7 489	(96 572)
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	17 599 680	14 963 063

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
7. Share capital		
Authorised		
125 000 A and B Class Ordinary shares of R2 each	250 000	250 000
Issued		
Ordinary Type A	108 832	108 832
Ordinary Type B	141 168	141 168
	250 000	250 000
<p>The share capital has been issued in the following manner. 54 406 (2016: 54 416) A class ordinary shares of R2 each 70 584 (2016: 70 584) B class ordinary shares of R2 each</p> <p>The rights of the A class shares are either business facilities such as golf facility, staff housing or are exclusive owned units. The A shares bear their own costs.</p> <p>The rights of the B class shares are restricted in the memorandum and articles and relate mainly to the right of use and occupation of the timeshare units.</p>		
8. Trade and other payables		
Accrued audit fees	50 705	51 416
Creditor: A Shares	-	7 781
Levies received in advance	10 476 312	12 842 796
Other payables	-	30 500
	10 527 017	12 932 493
9. Other financial liabilities		
At amortised cost		
Champagne Sports Resort (Pty) Ltd	2 417 479	-
Current liabilities		
At amortised cost	2 417 479	-
10. Revenue		
Levy Income	39 353 874	23 506 492
11. Investment revenue		
Interest revenue		
Bank	557 146	704 046
Interest charged on trade and other receivables	478 236	657 618
	1 035 382	1 361 664
12. Finance costs		
Late payment of tax	1 894	10 041

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
13. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	266 911	348 627
Reconciliation of the tax expense		
Accounting profit (loss)	2 300 461	(9 299 684)
Tax at the applicable tax rate of 28% (2020: 28%)	644 129	(2 603 912)
Tax effect of adjustments on taxable income		
Exempt income		
Exempt income-levies	(11 019 085)	(6 581 818)
	(11 019 085)	(6 581 818)
Non-deductible expenses		
Non-deductible expense	358 023	334 737
SARS interest	530	2 811
	358 553	337 548
Other		
S10(1)(e) exemption	(14 000)	(14 000)
Expenditure attributable to exempt income	10 297 314	9 210 808
	10 283 314	9 196 808
	266 911	348 626
14. Tax paid		
Balance at beginning of the year	(96 572)	(31 578)
Current tax for the year recognised in loss	(266 911)	(348 627)
Balance at end of the year	(7 489)	96 572
	(370 972)	(283 633)
15. Cash used in operations		
Profit (loss) before taxation	2 300 461	(9 299 684)
Adjustments for:		
Interest received	(1 035 382)	(1 361 664)
Finance costs	1 894	10 041
Changes in working capital:		
Inventories	542 563	4 125 524
Trade and other receivables	155 858	425 235
Trade and other payables	(2 405 476)	6 016 832
	(440 082)	(83 716)

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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16. Related parties

Relationships

Common members of key management

Network Finance (Pty) Ltd
Hospitality Properties (Pty) Ltd
Champagne Sports Resort (Pty) Ltd

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Loan accounts - Owing (to) by related parties

Network Finance (Pty) Ltd	3 296	-
Champagne Sports Resort (Pty) Ltd	(2 417 479)	-

17. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

18. Main Business and Operations

The company continues to operate a timeshare scheme on a share block basis. The structure of the shareholding and their linked rights remain the same. There are two categories of shares that have been created by the founding Memorandum and Articles of Association:

- "A" shares which are developer shares and give the developer certain exclusive rights, including the right to occupy certain buildings for the whole year; and

- "B" shares which are held by ordinary members of the company and confer the right of use and occupation of the chalet on a timeshare basis.

19. Management

In terms of the agreement of sale and use and occupancy, HPF Properties (Pty) Ltd attends to the management and cost sharing agreements of the company's activities. Such agreements are ceded to Champagne Sports Resort (Pty) Ltd, as the tenant for the time being.

20. Operating Expenses

In terms of a cession, the expenses incurred by Champagne Sports Resort (Pty) Ltd which are common to the hotel and timeshare operations are apportioned to the latter on the basis of the agreed cost sharing methodology and of the levy budget which was tabled and accepted at the Annual General Meeting held on 09 April 2016. Expenses incurred on behalf of the timeshare operations, which are specific to these operations, are charged to the shareblock on an actual basis.

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

21. Risk Management

Spacebanking & bulkbanking

It is recorded that Champagne Sports Resort (Pty) Ltd manages the RCI points bank on behalf of Champagne Shareblock Limited by allowing Champagne Shareblock Limited to use its RCI points bank. Champagne Sports Resort (Pty) Ltd are allowed extended payment terms at the discounted rate, in order to compensate for the cost and provision of the finance required. For this crucial service, there is no cost to Champagne Shareblock Limited other than the opportunity value of interest lost. There is no current financial risk to Champagne Shareblock Limited. However should this service not be available, or should Champagne Sports Resort (Pty) Ltd cease to offer the service, this would have a material effect on the booking process and potentially develop into a need for financing banked space with RCI.

Capital equipment

Champagne Sports Resort (Pty) Ltd provides Champagne Shareblock Limited with the supply of all the moveable assets and fixed equipment Champagne Shareblock Limited requires for its operations. The agreed cost is disclosed as the capital contribution and is disclosed in the annual financial statements. Should this arrangement cease, then Champagne Shareblock Limited would need to raise funds to purchase its own assets.

Land claim

A land claim over a vast area of land comprising over 60 properties (including the properties owned by Champagne Share Block Limited) has been made by a claimant on behalf of the "Amangwane Claimant Community". The claim has not progressed beyond the investigation phase. The factual basis of the claim is supported by oral evidence of the land claimants. The facts alleged in the supporting report are inconsistent with the true history of the area and the claim is viewed as unlikely to succeed as a community claim. Former labour tenants may have claims against individual farmers, but these do not involve the Company. Nevertheless, the directors treat the land claim as a potential risk and are taking steps to gather evidence supporting the true history of the area to enable the Company to contest the claim should the need arise.

Legislation that reopened the window for new claims (after the cut-off date of 31 December 1998) was set aside by the Constitutional Court. New legislation that will allow new land claims and/or legislation that will allow the expropriation of land without compensation is likely to be debated in Parliament in the near future. The directors will monitor its progress and any risk it may present to the Company.

Arrear levies

The directors note the weak state of the resale market for timeshare brought about by many external factors. While the replacement costs of units escalate, timeshare prices have fallen. This makes it difficult for shareholders to sell their timeshare as they can no longer afford to pay their levies, or for other reasons, and because their timeshare represents the Company's security for the payment of levies by shareholders, this places the Company at risk of not being able to collect arrear levies.

At this stage, the Company has an arrangement with its managers to hold distressed timeshare in a "warehouse", where they pay levies against the use of the timeshare rather than have it accumulate levies while attempts are made to recover arrears.

Although the Company may claim forfeiture of timeshare where levies are unpaid, the current practice is to hold the timeshare for at least three years before it is sold to cover arrear levies if the owner remains in default.

While this arrangement with its managers is in place, the risk to the Company is minimised. If this arrangement were to terminate for any reason, the company would be placed at risk and would have to put measures in place to attend to its own debt collection and management.

Declaration of directors' interests

Champagne Shareblock Limited operates in a mixed resort comprising time sharing and hotel businesses that are separately owned, directors serving on both Champagne Share Block Limited and Champagne Sports Resort (Pty) have a potential conflict of interests, this is exacerbated by the fact that the latter company is the manager of the former. These potential conflicts are recognised by the boards of both companies and are managed by appropriate declarations of interests at directors' meetings. Decisions at board meetings are generally by consensus, but where a conflict may arise, directors representing the manager do not participate in the decision. In any event, these directors represent a minority on the board.

Similarly, Champagne Sports and Racket Association (Non-Profit Company) serves as the "club" to which all shareholders of Champagne Share Block Limited must belong and as a "private municipality" regulating the resort, established as a requirement of the local municipality for the management of resorts falling within the buffer zone of the Okhahlamba Drakensberg Park World Heritage Site. Time share and hotel interests are represented equally in this entity, which is managed in the common interest of the resort generally. To date, no conflicts have arisen, but the potential exists, and the directors are

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

21. Risk Management (continued)

appropriately vigilant.

Climate change

While the unfortunate loss of two chalets by lightning strikes (outside the period under review) are not indicative of climate change, they serve as stark reminder of the impact of the weather on us. Climate change may result in more severe weather conditions and the greater likelihood of lightning strikes, but the greater threat it presents to the existence of the resort is the availability of water resources. The board is mindful of this and continues to implement water-saving measures where possible, including providing constant reminders to all visitors to the resort to use water sparingly.

Subsequent events, going concern and Covid-19

Covid-19

The Covid-19 pandemic ("Covid-19") and subsequent lockdown of the economy on 27 March 2020, and particularly, the hospitality sector, has had a profound impact on the Company as it operates in the leisure space through a timeshare scheme. The measures taken by government to limit the spread of Covid-19 and the resultant inability for travellers to travel internationally and inter-provincially will limit the demand for timeshare accommodation, which will impact the Company's revenue stream significantly for the 2020 financial year. The general impact on the economy may affect the personal circumstances of shareholders and their ability to pay levies, leading to increased bad or doubtful debts.

Operations are therefore expected to remain under pressure until the outlook on the South African economy improves. Although the impact of Covid-19 is expected to have a longer-term impact on the hospitality industry and the Company, management is not able to quantify the full impact at the date of this report. It is expected that the recovery of the industry will be slow due to the uncertainties around the health of travellers, and the negative economic impact on government, corporates and individuals to spend on leisure accommodation and conferences.

Going concern

In order to partially reduce the impact of Covid-19 on the Group, the following steps have been implemented to preserve cash and to ensure that the Company can continue to operate as a going concern:

- capital expenditure programme suspended, with only emergency capital expenditure to be considered;
- the decrease of operating costs, such as salaries and wages through furlough;
- extended payment terms from major creditors; and
- supporting of owners to ensure their sustainability in terms of their timeshare ownership through the provision of levy credits for the period that their timeshare weeks could not be utilised.

At year end, cash amounted to R14,9 million, which will provide sufficient liquidity to the company over the next 12 months. Management is of the view that the company will continue to operate as a going concern in a responsible and sustainable manner.

Champagne Shareblock Limited

(Taxpayer reference number 9117/306/84/6)

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Tax Computation

Figures in Rand	2021
Net profit per income statement	2 300 461
Permanent differences (Non-deductible/Non taxable items)	
Expenses attributable to exempt income - Local - Direct	36 480 416
Expenses attributable to exempt income - Local- Indirect	1 606 495
Levy exemption in terms of S10(1)(e)(i) (refer to guide) - Direct	(38 843 451)
Levy exemption in terms of S10(1)(e)(i) (refer to guide) - Indirect	(50 000)
SARS interest and penalty	1 894
	(804 646)
Temporary differences	
Imputed net income from CFC	-
Assessed loss brought forward	-
Taxable income for 2021	953 252
Tax thereon @ 28% in the Rand	266 911
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(96 572)
Prior year adjustment	(1 894)
Amount refunded/(paid) in respect of prior year	98 466
Amount owing/(prepaid) in respect of prior year	-
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	266 911
1st provisional payment	(211 245)
2nd provisional payment	(63 155)
Other payments	-
	(7 489)
Amount owing/(prepaid) at the end of year	(7 489)

Champagne Shareblock Limited

(Registration number: 1956/003056/06)

Annual Financial Statements for the year ended 31 December 2021

Supplementary Information

1. Allocation of reserves

Allocation of reserves	Balance at 31/12/2021	Transfer to reserve	Balance at 31/12/2020
Long term maintenance reserve	1 593 710	(734 880)	2 328 590
A share reserve	324 211	34 450	289 761
Soft refurbishment reserve	3 403 636	2 254 140	1 149 496
Building refurbishment reserve	479 840	479 840	-
	5 801 397	2 033 550	3 767 847

CHAMPAGNE SHARE BLOCK LIMITED

INSURANCE VALUATIONS 2022

			2021		2022	TOTAL
B Shares - Chalets						
						PER m ²
1 BEDROOM						
NO OF UNITS		R	2	R	2	
TOTAL INCL VAT	THATCH	R	1 914 077	7% R	2 048 062	R 13 913
2 BEDROOM						
NO OF UNITS		R	28	R	28	
TOTAL INCL VAT	THATCH	R	40 195 618	7% R	43 009 311	R 13 913
3 BEDROOM						
NO OF UNITS		R	61	R	61	
TOTAL INCL VAT	THATCH	R	124 968 294	7% R	133 716 075	R 13 913
TOTAL CHALETS INCL VAT		R	167 077 989	7% R	178 773 448	R 178 773 448
Infrastructure						
ROADWAYS	STD	R	3 253 376	7% R	3 481 112	
INTERNAL ROADS	STD	R	1 161 920	7% R	1 243 254	
BRIDGE	STD	R	3 253 375	7% R	3 481 112	
BRIDGE	STD	R	1 161 920	7% R	1 243 254	
BRIDGE	STD	R	697 152	7% R	745 952	
ELECTRIC INFRA	STD	R	1 626 688	7% R	1 740 556	
WATER	STD	R	278 861	7% R	298 381	
FIRE RETICULATION	STD	R	464 768	7% R	497 302	
TELEPHONE	STD	R	185 907	7% R	198 921	
TV	STD	R	232 384	7% R	248 651	
TOTAL INFRASTRUCTURE INCL VAT		R	12 316 350	7% R	13 178 494	R 13 178 494
A Shares						
POOL BOMA 1 - BOTTOM POOL	THATCH	R	735 311	7% R	786 783	
POOL BOMA 2 - TOP POOL	THATCH	R	863 192	7% R	923 615	
CSB A SHARES INCL VAT		R	1 598 503	7% R	1 710 398	
CLUBHOUSE BUILDING	THATCH	R	7 360 670	7% R	7 875 916	
STAFF BUILDING A SHARE UNIT	THATCH	R	415 029	7% R	444 082	
STAFF BUILDING A SHARE UNIT	THATCH	R	984 678	7% R	1 053 605	
STAFF BUILDING A SHARE UNIT	THATCH	R	890 276	7% R	952 596	
STAFF BUILDING A SHARE UNIT	STD	R	497 861	7% R	532 711	
2 STAFF UNITS	STD	R	2 765 410	7% R	2 958 989	
GOLF STORES	STD	R	1 534 563	7% R	1 641 982	
HOMESTEAD	THATCH	R	8 500 000	7% R	9 095 000	
CHALET 97	THATCH	R	9 562 237	7% R	10 231 594	
CHALET 98	THATCH	R	5 686 953	7% R	6 085 039	
CHALET 99	THATCH	R	5 686 953	7% R	6 085 039	
EXTERNAL A SHARES INCL VAT		R	43 884 629	7% R	46 956 553	
TOTAL A SHARES INCL VAT		R	45 483 132	7% R	48 666 951	R 48 666 951
TOTAL INSURED BUILDINGS		R	224 877 470	7% R	240 618 893	R 240 618 893
CONTENTS BUILDINGS		R	27 857 303	7% R	29 807 314	
TOTAL		R	252 734 773	7% R	270 426 207	

NOTE:

Champagne Share Block Limited previously had a standalone Insurance policy. CSB is included in the HPF/Tsogo insurance policy once again, and we are now insured under the Tsogosure Insurance Company Limited (Captive).

Our building and contents were increased by 7% for the 2022 financial year, and the valuation is currently R270,426,207 as per the above schedule for 2022.

We are not able to get a detailed breakdown of the individual building valuations under this new policy, however, the Total Value Insured, including Business Interruption and SASRIA under the Tsogosure policy is: R363,305,954, which exceeds our building valuation.

CHAMPAGNE SHARE BLOCK LIMITED

MANAGEMENT ACCOUNTS - 12 MONTHS ENDING 31 DECEMBER 2021

	Actual	Budget	Previous Year	Variance vs Budget	Variance vs Prev Year
INCOME					
LEVY INCOME-B SHARE	39 937 557	39 937 593	38 438 510	(37) -0%	1 499 047 4%
LEVY INCOME-A SHARE	1 278 587	1 261 056	1 251 765	17 531 1%	26 822 2%
LEVY INCOME-2021 LEVY CREDITS	(1 862 270)	-	(16 183 783)	(1 862 270) 100%	14 321 513 -88%
LEVY INCOME	39 353 874	41 198 649	23 506 492	(1 844 775) -4%	15 847 382 67%
DIRECT COSTS					
ADMINISTRATION FEES	(2 000)	(4 899)	(3 000)	2 899 -59%	1 000 -33%
AUDIT FEES	(55 284)	(55 284)	(53 161)	(0) 0%	(2 123) 4%
CSOS LEVY	(28 156)	(22 311)	(28 603)	(5 846) 26%	447 -2%
BANK CHARGES	(4 119)	(8 159)	(5 651)	4 039 -50%	1 531 -27%
CREDIT CARD CHARGES	(91 652)	(113 360)	(77 559)	21 708 -19%	(14 092) 18%
INSURANCE	(291 747)	(329 529)	(260 431)	37 782 -11%	(31 316) 12%
POSTAGE/PRINTING & STATIONERY	-	(832)	-	832 -100%	-
RATES	(427 153)	(497 998)	(433 465)	70 845 -14%	6 313 -1%
TV LICENCES	(15 287)	(20 066)	(15 727)	4 780 -24%	441 -3%
ELECTRICITY DIRECT	(1 963 889)	(1 958 009)	(1 354 396)	(5 880) 0%	(609 493) 45%
GENERATOR: MAINT & DIESEL	(226 849)	(219 492)	(211 619)	(7 357) 3%	(15 230) 7%
PEST CONTROL	(84 155)	(114 400)	(95 531)	30 245 -26%	11 376 -12%
FIRE PROTECTION	(46 903)	(38 215)	(30 545)	(8 688) 23%	(16 358) 54%
DSTV	(422 697)	(390 000)	(290 342)	(32 697) 8%	(132 354) 46%
LEGAL FEES	-	-	-	-	-
	(3 659 890)	(3 772 553)	(2 860 031)	112 662 -3%	(799 859) 28%
DIRECT STORES ALLOCATION					
CLEANING MATERIALS	(117 998)	(123 688)	(79 287)	5 690 -5%	(38 711) 49%
GUEST SUPPLIES	(435 619)	(456 624)	(292 708)	21 005 -5%	(142 911) 49%
STARTER PACKS	(176 998)	(185 532)	(118 931)	8 534 -5%	(58 067) 49%
TEAS	(127 971)	(134 141)	(85 988)	6 171 -5%	(41 983) 49%
	(858 586)	(899 986)	(576 914)	41 400 -5%	(281 672) 49%
MANAGEMENT FEES					
MANAGEMENT FEES	(1 251 376)	(1 251 376)	(1 203 246)	(0) 0%	(48 130) 4%
DIRECT OPERATING COSTS	(5 769 852)	(5 923 914)	(4 640 190)	154 061 -3%	(1 129 662) 24%
CAPITAL CONTRIBUTION					
SHARE OF CENTRAL UNIT CAPITAL	(1 450 575)	(1 450 575)	(1 394 784)	(0) 0%	(55 791) 4%
SHARE OF COMMON COSTS					
SHARED COMMON COSTS	(19 903 144)	(19 903 144)	(16 389 365)	0 -0%	(3 513 779) 21%
A SHARE CONTRIBUTION TO COMMON COSTS	111 594	111 594	107 302	-	4 292 4%
	(19 791 550)	(19 791 551)	(16 282 063)	0 -0%	(3 509 487) 22%
GENERAL OPERATING COSTS	(27 011 977)	(27 166 039)	(22 317 037)	154 062 -1%	(4 694 940) 21%
MAINTENANCE					
CSM SHARE OF MAINTENANCE COST	(1 421 514)	(1 600 752)	(1 095 513)	179 238 -11%	(326 001) 30%
A SHARE EXPENSES	(1 156 329)	(1 190 779)	(947 023)	34 450 -3%	(209 305) 22%
REPAIR & MAINTENANCE	(1 297 824)	(1 328 189)	(1 038 531)	30 366 -2%	(259 292) 25%
REPLACEMENTS OPERATING EQUIP	(338 660)	(280 800)	(186 046)	(57 860) 21%	(152 614) 82%
LONG TERM MAINTENANCE	(2 457 700)	(3 008 747)	(1 951 925)	551 048 -18%	(505 775) 26%
	(6 672 026)	(7 409 267)	(5 219 039)	737 241 -10%	(1 452 987) 28%
SPEND REQUIREMENT	(33 684 003)	(34 575 306)	(27 536 077)	891 303 -3%	(6 147 927) 22%
TAXATION	(266 911)	(280 232)	(348 627)	13 321 -5%	81 716 -23%
SPEND REQUIREMENT AFTER TAX	(33 950 914)	(34 855 538)	(27 884 704)	904 624 -3%	(6 066 210) 22%
INTEREST RECEIVED	1 033 488	1 080 827	1 351 623	(47 340) -4%	(318 135) -24%
SPEND REQUIREMENT AFTER TAX & INTEREST	(32 917 426)	(33 774 710)	(26 533 081)	857 284 -3%	(6 384 345) 24%
INCENTIVE DISCOUNTS	(2 196 207)	(2 483 268)	(1 660 792)	287 061 -12%	(535 416) 32%
INCOME REQUIREMENT	(35 113 633)	(36 257 979)	(28 193 873)	1 144 346 -3%	(6 919 761) 25%
LEVY SURPLUS / (DEFICIT) PRE REFURB	4 240 241	4 940 671	(4 687 380)	(700 430)	8 927 621
REFURBISHMENT-SOFTS	(128 957)	(2 383 097)	(65 424)	2 254 140 -95%	(63 533) 97%
REFURBISHMENT-BUILDINGS	(2 077 733)	(2 557 573)	(4 895 507)	479 840 -19%	2 817 774 -58%
LEVY SURPLUS / (DEFICIT)	2 033 550	(0)	(9 648 311)	2 033 550	11 681 862
TRANSFER TO / (FROM) RESERVES					
	Closing Balance	To / (From)	Opening Balance		
TRANSFER TO / (FROM) SOFTS REFURB RESERVE	3 403 636	2 254 140	1 149 496		
TRANSFER TO / (FROM) BUILDING REFURB RESERVE	479 840	479 840	-		
TRANSFER TO / (FROM) LTM RESERVE	1 593 710	(734 880)	2 328 590		
TRANSFER TO / (FROM) A SHARE RESERVE	324 211	34 450	289 761		
TRANSFER TO / (FROM) OPERATIONAL RESERVE	-	-	-		
CLOSING BALANCE RESERVES	5 801 397	2 033 550	3 767 847		

CHAMPAGNE SHARE BLOCK LIMITED

COMBINED A&B SHARE LEVY BUDGET 2022

	2021			INCREASE			2021			INCREASE			2022		
	BUDGET	BUDGET 2022 vs BUDGET 2021		ACTUAL	BUDGET 2022 vs ACTUAL		BUDGET	BUDGET 2022 vs ACTUAL		BUDGET	BUDGET 2022 vs ACTUAL		BUDGET	BUDGET 2022 vs ACTUAL	
	Excl VAT	%	Excl VAT	Excl VAT	%	Excl VAT	Excl VAT	%	Excl VAT	Excl VAT	%	Excl VAT	Excl VAT	%	Excl VAT
DIRECT COSTS															
ADMINISTRATION FEES	(4 899)	-14.3%	699	(2 000)	110.0%	(2 200)	(4 200)						(4 200)		
AUDIT FEES	(55 284)	5.0%	(2 764)	(55 284)	5.0%	(2 764)	(58 048)						(58 048)		
CSOS LEVY	(22 310)	40.0%	(8 924)	(28 156)	10.9%	(3 078)	(31 235)						(31 235)		
BANK CHARGES	(8 159)	-26.5%	2 159	(4 119)	45.7%	(1 881)	(6 000)						(6 000)		
CREDIT CARD CHARGES	(113 360)	-3.8%	4 360	(91 652)	18.9%	(17 348)	(109 000)						(109 000)		
INSURANCE	(329 529)	10.2%	(33 716)	(291 747)	24.5%	(71 498)	(363 245)						(363 245)		
POSTAGE/PRINTING & STATIONERY	(832)	-39.9%	332	-	100.0%	(500)	(500)						(500)		
RATES	(497 998)	5.5%	(27 451)	(427 153)	23.0%	(98 296)	(525 449)						(525 449)		
TV LICENCES	(20 066)	-10.3%	2 066	(15 287)	17.8%	(2 713)	(18 000)						(18 000)		
ELECTRICITY DIRECT	(1 958 009)	9.7%	(189 191)	(1 963 889)	9.3%	(183 311)	(2 147 200)						(2 147 200)		
GENERATOR: MAINT & DIESEL	(219 492)	5.0%	(10 975)	(226 849)	1.6%	(3 618)	(230 467)						(230 467)		
PEST CONTROL	(114 400)	5.0%	(5 720)	(84 155)	42.7%	(35 965)	(120 120)						(120 120)		
FIRE PROTECTION	(38 215)	5.0%	(1 911)	(46 903)	-14.4%	6 777	(40 126)						(40 126)		
DSTV	(390 000)	5.0%	(19 500)	(422 697)	-3.1%	13 197	(409 500)						(409 500)		
LEGAL FEES	-	0.0%	-	-	0.0%	-	-						-		
DIRECT STAFFING COST	(3 544 094)	5.9%	(210 024)	(3 544 094)	5.9%	(210 024)	(3 754 118)						(3 754 118)		
	(7 316 646)	6.8%	(500 561)	(7 203 984)	8.5%	(613 223)	(7 817 207)								
DIRECT STORES ALLOCATION															
CLEANING MATERIALS	(123 688)	5.0%	(6 184)	(117 998)	10.1%	(11 874)	(129 872)						(129 872)		
GUEST SUPPLIES	(456 624)	5.0%	(22 831)	(435 619)	10.1%	(43 836)	(479 456)						(479 456)		
STARTER PACKS	(185 532)	5.0%	(9 277)	(176 998)	10.1%	(17 811)	(194 809)						(194 809)		
TEAS	(134 141)	5.0%	(6 707)	(127 971)	10.1%	(12 878)	(140 848)						(140 848)		
	(899 986)	5.0%	(44 999)	(858 586)	10.1%	(86 399)	(944 985)								
MANAGEMENT FEES															
MANAGEMENT FEES	(1 251 376)	5.0%	(62 569)	(1 251 376)	5.0%	(62 568)	(1 313 944)						(1 313 944)		
	(1 251 376)	5.0%	(62 569)	(1 251 376)	5.0%	(62 568)	(1 313 944)								
CAPITAL CONTRIBUTION															
SHARE OF CENTRAL UNIT CAPITAL	(1 450 575)	5.0%	(72 529)	(1 450 575)	5.0%	(72 529)	(1 523 104)						(1 523 104)		
	(1 450 575)	5.0%	(72 529)	(1 450 575)	5.0%	(72 529)	(1 523 104)								
SUB-TOTAL	(10 918 582)	6.2%	(680 658)	(10 764 521)	7.8%	(834 719)	(11 599 240)								
SHARE OF COMMON COSTS															
ADMIN & GENERAL	(2 775 922)	1.1%	(29 415)	(2 775 922)	1.1%	(29 415)	(2 805 337)						(2 805 337)		
SHARED STAFFING COST	(7 557 339)	7.5%	(564 502)	(7 557 339)	7.5%	(564 502)	(8 121 842)						(8 121 842)		
UTILITIES & WASTE	(2 025 855)	8.8%	(177 964)	(2 025 855)	8.8%	(177 964)	(2 203 818)						(2 203 818)		
SECURITY	(1 259 250)	6.0%	(75 555)	(1 259 250)	6.0%	(75 555)	(1 334 805)						(1 334 805)		
INSURANCE	(178 520)	79.4%	(141 677)	(178 520)	79.4%	(141 677)	(320 198)						(320 198)		
HOUSEKEEPING	-	100.0%	(206 252)	-	100.0%	(206 252)	(206 252)						(206 252)		
OTHER SHARED COSTS	(2 562 164)	4.2%	(107 861)	(2 562 164)	4.2%	(107 861)	(2 670 025)						(2 670 025)		
A SHARE CONTRIBUTION TO COMMON COSTS	111 594	4.0%	4 517	111 594	4.0%	4 517	116 111						116 111		
	(16 247 457)	8.0%	(1 298 708)	(16 247 457)	8.0%	(1 298 708)	(17 546 165)								
GENERAL OPERATING COSTS	(27 166 039)	7.3%	(1 979 366)	(27 011 978)	7.9%	(2 133 427)	(29 145 405)								
MAINTENANCE															
CSM SHARE OF MAINTENANCE COST	(1 600 752)	3.4%	(54 174)	(1 421 514)	16.4%	(233 412)	(1 654 926)						(1 654 926)		
A SHARE EXPENSES	(1 190 779)	6.2%	(73 574)	(1 156 329)	9.3%	(108 024)	(1 264 353)						(1 264 353)		
MAINTENANCE	(1 328 189)	5.0%	(66 409)	(1 297 824)	7.5%	(96 775)	(1 394 599)						(1 394 599)		
REPLACEMENTS - OPERATING EQUIPMENT	(280 800)	5.0%	(14 040)	(338 660)	-12.9%	43 820	(294 840)						(294 840)		
LONG TERM MAINTENANCE	(3 008 747)	5.0%	(150 437)	(2 457 700)	28.5%	(701 485)	(3 159 185)						(3 159 185)		
	(7 409 267)	4.8%	(358 635)	(6 672 026)	16.4%	(1 095 876)	(7 767 902)								
SUB-TOTAL	(34 575 306)	6.8%	(2 338 001)	(33 684 004)	9.6%	(3 229 303)	(36 913 307)								
REFURBISHMENT-SOFTS	(2 383 097)	5.0%	(119 155)	(128 957)	1840.4%	(2 373 295)	(2 502 252)						(2 502 252)		
REFURBISHMENT-BUILDINGS	(2 557 573)	5.0%	(127 879)	(2 077 733)	29.2%	(607 718)	(2 685 452)						(2 685 452)		
SPEND REQUIREMENT	(39 515 977)	6.5%	(2 585 034)	(35 890 694)	17.3%	(6 210 317)	(42 101 011)								
TAXATION	(280 232)	16.3%	(45 719)	(266 911)	22.1%	(59 040)	(325 951)						(325 951)		
SPEND REQUIREMENT AFTER TAX	(39 796 209)	6.6%	(2 630 753)	(36 157 605)	17.3%	(6 269 357)	(42 426 962)								
INTEREST INCOME CSB	1 080 827	12.3%	133 282	1 033 488	17.5%	180 622	1 214 110						1 214 110		
SPEND REQUIREMENT AFTER TAX & INT	(38 715 381)	6.5%	(2 497 471)	(35 124 117)	17.3%	(6 088 735)	(41 212 852)								
INCENTIVE DISCOUNTS	(2 483 268)	6.7%	(167 386)	(2 196 207)	20.7%	(454 448)	(2 650 655)						(2 650 655)		
INCOME REQUIREMENT	(41 198 650)	6.5%	(2 664 857)	(37 320 324)	17.5%	(6 543 183)	(43 863 507)								
INCOME															
LEVY INCOME-B SHARE	39 937 593	6.5%	2 588 047	39 937 557	6.5%	2 588 084	42 525 640						42 525 640		
LEVY INCOME-2021 LEVY CREDITS	-	0.0%	-	(1 862 270)	-100.0%	1 862 270	-						-		
LEVY INCOME-A SHARE	1 261 056	6.1%	76 810	1 278 587	4.6%	59 279	1 337 867						1 337 867		
LEVY INCOME	41 198 650	6.5%	2 664 857	39 353 874	11.5%	4 509 633	43 863 507								
LEVY SURPLUS / (DEFICIT)	-			2 033 550			-								

Levy Before Discount	INCL VAT			INCL VAT		
1 B/R Units	R 8 100	6.5%	R 525			R 8 624
2 BR Units	R 9 044	6.5%	R 586			R 9 630
2 BR Split Units	R 5 176	6.5%	R 335			R 5 511
3 B/R Units	R 10 297	6.5%	R 667			R 10 964
3 B/R Split Units	R 5 811	6.5%	R 377			R 6 188
4 B/R A Share Units	R 14 218	6.1%	R 866			R 15 084
Levy After 7.5% Discount	7.5%					7.5%
1 B/R Units	R 7 492	6.5%	R 486			R 7 978
2 BR Units	R 8 366	6.5%	R 542			R 8 908
2 BR Split Units	R 4 788	6.5%	R 310			R 5 098
3 B/R Units	R 9 525	6.5%	R 617			R 10 142
3 B/R Split Units	R 5 375	6.5%	R 348			R 5 724
4 B/R A Share Units	R 13 151	6.1%	R 801			R 13 953

CHAMPAGNE SHARE BLOCK LIMITED

A SHARE LEVY BUDGET 2022

	2021		INCREASE		2022		CSM PORTION
	A SHARE BUDGET	EXCL VAT	A SHARE BUDGET 2022 vs 2021	%	A SHARE BUDGET	EXCL VAT	
DIRECT COSTS							
ADMINISTRATION FEES	0.00		-	0.00	0.00		0.00
AUDIT FEES	0.00		-	0.00	0.00		0.00
CSOS LEVY	(447)		5.0%	(22)	(469)		
BANK CHARGES	(179)		-26.5%	47	(132)		
CREDIT CARD CHARGES	(2 491)		-3.8%	96	(2 396)		
INSURANCE	(17 946)		-8.2%	1 480	(16 466)		
POSTAGE/PRINTING & STATIONERY	0.00		-	0.00	0.00		
RATES	(31 295)		5.5%	(1 725)	(33 020)		
TV LICENCES	(441)		-10.3%	45	(396)		
ELECTRICITY DIRECT	(220 811)		13.6%	(30 084)	(250 895)		0.00
GENERATOR: MAINT & DIESEL	(9 648)		5.0%	(482)	(10 130)		
PEST CONTROL	(2 514)		5.0%	(126)	(2 640)		
FIRE PROTECTION	(840)		5.0%	(42)	(882)		
DSTV	(23 647)		5.0%	(1 182)	(24 829)		
LEGAL FEES	0.00		-	0.00	0.00		0.00
DIRECT STAFFING COST	(149 645)		5.0%	(7 482)	(157 127)		
	(459 904)		8.6%	(39 477)	(499 381)		0.00
DIRECT STORES ALLOCATION							
CLEANING MATERIALS	(2 718)		5.0%	(136)	(2 854)		
GUEST SUPPLIES	(10 036)		5.0%	(502)	(10 537)		
STARTER PACKS	(11 422)		1.8%	(204)	(11 626)		
TEAS	(2 948)		5.0%	(147)	(3 096)		
	(27 124)		3.6%	(989)	(28 113)		0.00
MANAGEMENT FEES							
MANAGEMENT FEES	(58 658)		5.0%	(2 933)	(61 591)		
	(58 658)		5.0%	(2 933)	(61 591)		0.00
CAPITAL CONTRIBUTION							
SHARE OF CENTRAL UNIT CAPITAL	(31 881)		5.0%	(1 594)	(33 475)		(17 106)
	(31 881)		5.0%	(1 594)	(33 475)		(17 106)
SUB-TOTAL	(577 567)		7.8%	(44 993)	(622 560)		(17 106)
SHARE OF COMMON COSTS							
ADMIN & GENERAL	0.00		-	0.00	0.00		0.00
SHARED STAFFING COST	(8 862)		5.0%	(443)	(9 305)		(4 755)
UTILITIES & WASTE	0.00		-	0.00	0.00		0.00
SECURITY	0.00		-	0.00	0.00		0.00
OTHER SHARED COSTS	(142 459)		3.9%	(5 613)	(148 071)		(75 664)
A SHARE CONTRIBUTION TO COMMON COSTS	0.00		-	0.00	0.00		0.00
	(151 321)		4.0%	(6 055)	(157 376)		(80 419)
GENERAL OPERATING COSTS	(728 888)		7.0%	(51 048)	(779 936)		(97 525)
MAINTENANCE							
CSM SHARE OF MAINTENANCE COST	(35 181)		3.4%	(1 191)	(36 372)		(18 586)
MAINTENANCE	(149 545)		5.0%	(7 477)	(157 022)		0.00
REPLACEMENTS - OPERATING EQUIPMENT	(15 578)		5.0%	(779)	(16 357)		0.00
LONG TERM MAINTENANCE	(77 888)		5.0%	(3 894)	(81 783)		
	(278 192)		4.8%	(13 341)	(291 534)		(18 586)
SUB-TOTAL	(1 007 080)		6.4%	(64 389)	(1 071 470)		(116 111)
REFURBISHMENT-SOFTS	(183 698)		5.0%	(9 185)	(192 883)		
REFURBISHMENT-BUILDINGS	0.00		-	0.00	0.00		
SPEND REQUIREMENT	(1 190 779)		6.2%	(73 574)	(1 264 353)		(116 111)
TAXATION	(6 508)		12.3%	(803)	(7 311)		
SPEND REQUIREMENT AFTER TAX	(1 197 287)		6.2%	(74 377)	(1 271 664)		(116 111)
INTEREST INCOME CSB	23 244		12.3%	2 866	26 110		0.00
SPEND REQUIREMENT AFTER TAX & INT	(1 174 043)		6.1%	(71 511)	(1 245 554)		(116 111)
INCENTIVE DISCOUNTS	(87 013)		6.1%	(5 300)	(92 313)		
INCOME REQUIREMENT	(1 261 056)		6.1%	(76 810)	(1 337 867)		(116 111)
INCOME							
LEVY INCOME-A SHARE	1 261 056		6.1%	76 810	1 337 867		
LEVY INCOME	1 261 056		6.1%	76 810	1 337 867		
LEVY SURPLUS / (DEFICIT)	-				-		
Levy Before Discount	INCL VAT				INCL VAT		
4 B/R A Share Units	14 218		0.0%	0	14 218		
	7.5%				7.5%		
Levy After 7.5% Discount	INCL VAT				INCL VAT		
4 B/R A Share Units	13 151		0.0%	0	13 151		

NOTES

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

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