



CHAMPAGNE SHARE BLOCK

NEWSLETTER NUMBER 81

21ST NOVEMBER 2025

I am meant to write a newsy missive with explanations about the financial detail and general matters about our resort. But a thought comes to me – “Cast thine eyes up to the hills” as is quoted on the Moth memorial – that being at the Berg has a peace to it, no matter how transient. We live in this unstable world with threats by the bucketful and from so many directions, be it from SA Inc or from overseas. The timeshare industry is not immune and has its own difficulties. But we South Africans remain a resilient bunch and we get on with things, including our holidays.

Your resort remains a Gold Crown RCI resort with a golf course ranked at number 20 in the country and with access to the Sunswop program. Our resident ground hornbills are still making a nuisance, a wonderful nuisance, of themselves and together with the bald ibis, showing off their red heads (actually, not that pretty but interesting).

An executive summary follows for the busy reader, summarising the main points and highlighting the developments and state of affairs of the resort. I wonder if the next newsletter will be done by AI? In the meantime, rest assured that we are not bots.

EXECUTIVE SUMMARY

- The resort is in a sound financial position, and we are on top of the long-term refurbishment of the units, both the buildings and the softs with the objective of maintaining their standard and improving it. Our kids, when they are grown up, should still be in a position to enjoy the resort.
- Finance - The budget for 2025/26 was approved by your board based on the 2026 October Accounts & Forecast for the rest of 2025.
- Development
 - Padel courts are being built and will be ready in February next year
 - There will also be 3 pickleball courts ready for this December.
 - The putt-putt course has been upgraded into an adventure golf course, which will be great fun for kids and adults alike.

- Refurbishment Programs for 2026 will continue with at least 7 more units and probably more. Units 6 & 20 were intended to be upgraded this year but this has been delayed pending planning and costing approval in the new year.
- Refurbishment is carried out within the current levy cost, of which a portion is allocated to refurbishments. For example, the 3 bedroomed refurbishment portion is R2,014. This amount is specified in the lines of the budget so that the actual operational budget should be some R2000 lower in the longer term.
- The Green energy program and study continues, with Eskom having increased our bulk rate by over 20% this year.

And now the Newsletter.

AND ON TO THE AFFAIRS OF THE RESORT

THE AGM

The AGM for the December 2024 year was held on Zoom on 30th July 2025.

A Resort, no matter how beautiful it may be, is not fun if it's in debt and struggling. The Chairman was pleased to report that reserves were a healthy R10m providing both a safety net and forming part of the plan to roll out the refurbishment of the units. Income was over R300k above budget, but this was largely absorbed by electricity, what else! Whilst the refurb program is in full swing, LTM was able to be maintained below budget by a solid R600k including the fire retardant program. The building refurbishment budget was increased for practical reasons mainly to do with access and cost efficiencies so that we completed 17 units in 2024. Maintenance costs were affected by the new wi-fi cost centres which were also high because of storm damage. Nonetheless, we ended up with a surplus of R1.9m, taking our reserves up to R10.5m for the year, a healthy position to take into 2025.

The chairman once again noted, not only the risky environment, but specific risks that we face as a resort, particularly the balancing of the flexi chart due to spaces that go empty. There are so many moving parts. The Sunswop arrangement should help us to alleviate these potential imbalances. The market value of our timeshare weeks has also been caught up within a broader market oversupply/imbalance, a change in the dynamics of market behaviour, change of habits and the whole digital effect.

As to the formalities, as usual the accounts and budget were approved and our board was re-elected. The zoom format worked well and was time and cost effective. The Chairman noted his special thanks to the managers and staff as well as Southern Sun for their loyalty and support.

SOME DEVELOPMENT NEWS

BUILDING REFURBISHMENT PROGRESS

The current status is that 55 units have been completed, leaving 36 units still to go.

The Board is planning to complete 7 units in 2026 for the budgeted cost of R4.2m, however this includes the difficult Phase 1 units - chalet 6, the wooden unit and chalet 20, the double storey unit. These two units were inherited, and are difficult to refurbish cost effectively. We plan to first make a start on 5 units during the quiet patch in January and then finalise a plan for the 2 legacy units.

With so many units now complete, we are in that difficult patch where it is becoming more difficult to satisfy our owners, who are all requesting the upgraded units when they book.

SOFTS REFURBISHMENT PROGRAM

The plan is to complete 2 mock-up units early in the year. We have completed 2 schemes for these units for approval by the board. We are still busy with some permutations of the most effective program that will give us the greatest effect and the most longevity.

As a guide, we should be able to roll this out in up to 30 chalets during 2026, focusing first on units which have not had the building refurbishment done yet, and then progress to complete all the other units over the following 2 years using the softs refurbishment reserve funds. In the meantime, we will be completing some add-hoc re-upholstery of lounge suites where needed, using the fabrics from the new schemes.

ALTERNATIVE ENERGY

Work on this project continues, and we have some advanced proposals for which there is a clear business case. However, the high capital outlay and the distributed nature of the infrastructure, make the funding and structure of this complicated. The management are continuing to investigate these options.

This becomes more pertinent with the bulk electricity tariff increases of over 20% from Eskom this year. Although these do not affect the direct tariff to the Share Block, they do affect the shared resort costs. With the addition of a new Generator Capacity charge (we are being charged for our generator capacity, which we require because Eskom cannot reliably supply us with power) and another much higher charge added, called a Legacy Charge (apparently for the high cost of the early IPP projects).



FIRE RETARDANT

We have completed the application of fire retardant to 12 units this year. However, we have a small concern about some patches of deterioration in the thatching on the units that have had the retardant applied. We will investigate this as there could be a multitude of factors causing this.

ADVENTURE GOLF / PADEL / PICKLEBALL COURTS

As part of improving the experience for our guests, we are adding and improving some of our shared sports facilities, We will refurbish the putt-putt facility as an adventure golf course.

Unfortunately the weather has brought us a lot of rain over the past month, so while the refurbished adventure golf course will be completed shortly, the Padel courts will only be completed in January next year.

This year was also planned for the resurfacing of courts 1 and 2, and we have been able to convert court number two in this process to 3 pickleball courts, so will have that extra facility available to our timeshare guests by December.

LEVY BUDGET 2026

FINANCIAL REPORT – POINTERS FOR 2025

We firstly report on the forecast for the 2025 year as it provides perspective for the 2026 budget, in particular the reserves.

Revenue.

We are forecasting a revenue surplus of R60k due to R190k of higher interest, but offset by R147k of higher discounts.

Highlighted Costs

Direct expenses show a saving of R225k, mainly due to lower generator diesel and electricity usage. This includes costs for the cat feeding stations and quite a lot of beehive management.

Maintenance is forecast at R790k below budget, with some spend still to come in November and December.

Project Costs

The building refurbishment cost is R3.3m over budget after the additional agreed units, which is partly offset by the unspent Softs Refurbishment of R2.6m, giving a small surplus on projects.

The outcome for the year is a forecast surplus of about R120k, which is very healthy considering the additional spend on extending the building refurbishment to 14 units, which leaves carried forward reserves at year end of some R10.6m.

LEVY BUDGET 2026

Inflation.

With the latest medium term budget confirmation of our inflation target moving to 3%, we have taken 3.9% as a base.

Direct Cost Highlights

Insurance is still to be invoiced for 2025/26, but the increases are not expected to be large.

Electricity - Eskom has had 8.76% approved for next year, and we forecast about R3.45m for this year for direct electricity costs, so the budget goes up by 8.76% on this figure.

Diesel – We have reduced our generators and diesel budget to R200k from R400k as we have seen a sustained improvement in loadshedding, however, in our area we still have occasional outages due to wind etc causing shorts up the line. We have spent R139k for the year to date and allowed for more spend in the forecast. The maintenance and servicing costs of our generators are close to R100k per year before diesel usage, so this is still a tight budget.

Staffing Costs – We have completed a 3-year wage agreement with the staff at an average of CPI+1.5% over 3 years which gives us some stability. As part of this process, we have restructured our accounting method to align with the agreement, particularly on the treatment of provident fund payments and savings. Whilst this shows as a 12.6% increase on direct staffing, but a 3.3% increase in shared staffing, if you add the direct staffing portion to the shared staffing portion, the actual total increase is 6.2%. The increase for the following years is CPI.

Thus, direct costs go up by 6.8%, largely administered,

Share of Common Costs

Shared costs increased by 7.6%, largely driven by the electricity increase, due to the new tariff lines from Eskom which apply to the bulk tariff that the resort is on.

Maintenance

Maintenance costs are maintained at 4%, with shared maintenance only going up by 3.4% and A Share costs, as part of the maintenance section, going up by 4.9%. Management Fees and Capital Contribution were increased by 3.9%.

Refurbishment Portion of the Levy

The Refurbishment allowances have been increased by 3.9%. We note again that that the levy includes project costs which were structured to be smoothed over time rather than through special levies. This does mean that for our company the projects take longer to complete than through a special levy, and it is more difficult for the resort to manage owner expectations.

Revenue

Interest income is forecast to be higher at an 8.4% increase while we still have reserves on hand, and while the rates remain high.

Levy Outcome

B Share Levy increase of 5.9%.

A Share fractional Levy increase of 4.9%

A Share external units bear their own costs, and their cost contribution also increases by 5.9%

The levies approved by your board are as follows:

B SHARE LEVIES FOR 2026

	BASE LEVY	REFURB PORTION	TOTAL LEVY	AFTER DISCOUNT
1 BEDROOM	R 9 799.30	R 1 584.98	R 11 384.28	R 10 530.46
2 BEDROOM	R 10 941.83	R 1 769.78	R 12 711.61	R 11 758.24
3 BEDROOM	R 12 457.80	R 2 014.98	R 14 472.78	R 13 387.33
2 BEDROOM SPLIT	R 6 261.88	R 1 012.83	R 7 274.71	R 6 729.10
3 BEDROOM SPLIT	R 7 030.87	R 1 137.21	R 8 168.08	R 7 555.47

FRACTIONAL A SHARE LEVIES FOR 2026

4 BEDROOM			R 19 583.08	R 18 114.28
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PAYMENT OF THE LEVY

Levies are payable by the 1st of January 2026 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 2026. 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 lessen 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 is very important that you please include your account number as reference and send your proof of payment by email to shareblock@champagnesportsresort.com. As so many amounts are the same, this avoids confusion. The Share Block office in Hillcrest will be closed from the 15th of December 2025 to the 4th of January 2026. E-mails for administrative matters will be dealt with from the 4th of January 2026.

The bank account details are as follows:

Standard Bank – Hillcrest
Account No. 250831686
Branch code 045726

OWNER MATTERS

SUNSWOP

In the past there were many owners who were not members of RCI, and so if they were not able to occupy their week, they had no alternative but to lose their week for the year. Thanks to the Sunswop program, all owners are now members, and there is now the opportunity for all owners to bank their week and use it at a later time at another resort, or even back into Champagne Sports Resort if there is availability.

RENTAL POOL

The rental pool was envisaged to help owners in exceptional circumstances, like serious illness and distress. At times owners need help in a short-term situation. This service has been offered by the hotel managers and not the timeshare company and is not a long-term commitment. Please do not use the Hotel Pool without considering your alternatives. We will limit it to 80 weeks this year and will not accept overseas owners as they do not occupy.

SPECIAL OFFER IN LINE WITH THE NEW SUNSWOP PROGRAM

The Resort owns certain weeks it has accumulated from past owners. They are selling a week's timeshare for R3000 to be used exclusively for exchange with Sunswop. This then moves the stock on to new buyers and assists the operation of the company's timeshare bookings.



APPEAL TO BOOK

We again appeal to owners to book early to avoid space going empty. Likewise, if you know that you will not be using your week and wish to Spacebank it for the year, please do so as early as possible and inform Connie at the resort.

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

IN CONCLUSION

Once again, we come to that time of year where we pay for our share of the costs – we have a payment record that is the envy of much of the industry, and we would like to thank our owners for this record.

May we wish all our owners a Happy Christmas and a prosperous New Year, and do enjoy your stay when next at the resort.

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 P. WEST, MRS S. CROFT,
MR D PARK, MRS N. FELDON, MR L. NCUBE, MR S. MACQUET & MR R. MACQUET

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BOOKING CALENDAR 2026

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

1) ALL WEEKS, INCLUDING 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.