



CHAMPAGNE LANE  
RESORT

26 AUGUST 2017

ANNUAL  
GENERAL  
MEETING

# CHAMPAGNE LANE

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**CHAMPAGNE LANE SHAREBLOCK LIMITED**  
(Registration Number: 1989/001642/06)

**Directors: HM Adams, T Donnelly, BW Garland, WK Hatfield, DH Perry, C Robson.**

27 July 2017

## **NOTICE TO SHAREHOLDERS**

### **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN OF THE ANNUAL GENERAL MEETING OF CHAMPAGNE LANE SHAREBLOCK LIMITED THAT WILL TAKE PLACE ON:

DATE: SATURDAY, 26 AUGUST 2017

VENUE: ST. THOMAS'S CHURCH HALL  
ST. THOMAS AVENUE  
DURBAN

TIME: 10H00



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**Resort Management for  
Champagne Lane Shareblock Ltd**

**CHAMPAGNE LANE SHAREBLOCK LIMITED**

**(Registration Number: 1989/001642/06)**

**INDEX TO ANNUAL REPORT 2017**

**For your information we enclose the following documents:**

1. Notice and Agenda for the Meeting.
2. Explanatory Notes of the Meeting Notice and Agenda
3. Minutes of the adjourned Annual General Meeting held on 22 October 2016
4. Chairman's Report
5. Management Report
6. 2018 Module Calendar
7. Audited Annual Financial Statements for the year ended 31 December 2016
8. Nomination form for Directors
9. Form of Proxy

## **CHAMPAGNE LANE SHAREBLOCK LIMITED**

**(Registration Number: 1989/001642/06)**

Notice is hereby given that an Annual General Meeting of Shareholders of Champagne Lane Shareblock Limited will be held at St. Thomas's Church Hall, St. Thomas Avenue, Off Stephen Dlamini Road (formerly Essenwood Road), Durban On Saturday 26 August 2017 at 10h00.

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### **AGENDA**

1. Welcome.
2. Notice of Meeting.
3. Attendance, proxies and apologies.
4. Establishment of Quorum.
5. Appointment of Chairman.
6. Presentation of Minutes of adjourned Annual General Meeting of 22 October 2016
7. Matters arising from the Minutes.
8. Presentation of Chairman's Report.
9. Presentation of Audited Annual Financial Statements, together with the Directors' report and Auditors' Report, in respect of the year ended 31 December 2016.
10. Approval of Auditor's remuneration.
11. Appointment of Auditors for the financial year ending 31 December 2017.
12. To Determine the number of Directors for the ensuing year.
13. Election of Directors  
Carol Robson and Hedley Adams retire by rotation. Hedley is available for re-election, Carol unfortunately is not, due to relocation to the Cape.  
Dave Perry hereby gives notice, and retires from the board of Directors'.  
Election of Directors to be considered with other nominations submitted, if any.
14. Appointment of Audit Committee  
Three Directors of the Company for appointment to the Company's Audit Committee.
15. Approval of Directors' remuneration.  
NOTE: in terms of Section 66(9) of the Companies Act, the remuneration of the Directors' must be approved by a Special Resolution of Members.
16. General

## EXPLANATORY NOTES OF THE MEETING NOTICE AND AGENDA

1. Record Date

The record date set by the board in terms of Section 59(1) of the Companies Act, which is the date on which the Company's security register is closed for the purpose of determining which members are entitled to receive this Notice, and to participate in and vote at this General Meeting is 28 July 2017.
2. Proxies

In terms of Section 58 of the Companies Act, each member of the Company entitled to attend and vote at this Annual General Meeting, is entitled to appoint a proxy to attend, participate and vote at the Annual General Meeting in place of the member. A proxy need not be a member of the company.

Further information regarding proxies, including a proxy form, is included in the Annual Report.
3. Identification

In terms of Section 62(1) of the Companies Act, members or their proxy must provide reasonably satisfactory identification before attending and participating in the Annual General Meeting, and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of a person to participate and Vote has been reasonably verified, before they will be permitted to so participate and vote.
4. Chairman

In terms of the MOI, the Chairman of the Board of Directors shall preside at the Annual General Meeting. If the Chairman is not present, or is unwilling to preside, one of the Directors present will chair the Annual General Meeting.
5. Quorum

In accordance with the Company's MOI, the quorum for an Annual General Meeting is Members representing at least 1% (one percent) of the Share Capital.
6. Voting
  - 6.1 Ordinary Resolution

In terms of the Company's MOI, 50% (fifty percent) of the votes cast on an ordinary resolution by members present or represented and voting at the Annual General Meeting in favour of the ordinary resolution, are required for it to be adopted.
  - 6.1 Special Resolution

In terms of the Company's MOI, 75% (Seventy-five percent) of the votes cast on a special resolution by members present or represented and voting at the Annual General Meeting in favour of the special resolution, are required for it to be adopted.
7. Directors

In Terms of the Company's MOI, Directors serve a certain term of year/s thus one third of the Directors retire each year, with the remaining Directors continuing in office. Retiring Directors are eligible for re-election.
8. Nomination of Directors

As part of the Annual Report, is the form for the nomination of individuals for election as Directors of the Company as the Annual General Meeting.

Details regarding the delivery of completed nomination forms are set out in the form itself.

Directors nominated must sign their consent to be nominated, and if elected, for the election to be effective, must deliver to the Company their consent in writing to serve the Company as a Director. Section 66(7)(b)
9. Remuneration of Directors

In accordance with section 66(9) of the Companies Act, any remuneration of the Directors must be approved by the members at the Annual General Meeting by Special Resolution.

## CHAMPAGNE LANE SHAREBLOCK LTD

### MINUTES OF THE ANNUAL GENERAL MEETING

HELD AT ST. THOMAS' CHURCH, DURBAN, ON 22 OCTOBER 2016, 10H00.

1. Mr Adams welcomed all owners present, thanked them for their attendance at this year's AGM and then introduced the Board Members and management to all present.
2. Notice of meeting: Mr Adams advised that the notice had been sent out timeously and by approval of all present was noted as read
3. **PRESENT:** Mr Hedley Adams, (in the Chair),  
Mr Tom Donnelly, Mr Barry Garland,  
Mr William Hatfield  
Mr Glenn Wanliss, Mrs Mary-Ann Wanliss (Resort Management)

**ATTENDEES:** C Hatfield, H Thiel, M Thiel, E Seymore, I Cowan, H Hill, V Garland, T Martin, D Andrews, H vd Merwe, M Devine, V Wilson, P Gould, R Donnelly, T Donnelly, H Adams, W Hatfield, R Krull, M Krull, R Caldwell, P Foster, A Dove, C Boltman, B Boltman

**PROXIES:** M Palmer, M Barnard, B Salmond, S Bowness, S Elston, A Garrett, G Garrett, R Ross, P Reeves, D Day, G Payn, S Robinson, L Flint, Club Property Holding, D Putland, H Denton, A Barnard, C Otto, C Hannington, C Robson, E Laubscher, G Watts, O Collocott, F Roussouw, S Gould

**APOLOGIES :** A Balouza, A Barnard, M Barnard, C Botha, D Day, H Denton, M Evans, S Gavin, C Hannington, J Henry, E Laubscher, A Lee, A Napier, C Otto, V Owens, G Payn, M Palmer, C Peatt, D Perry, C Porter, D Putland, R Rauff, P Reeves, C Robson, S Robinson, F Robert, R Ross, B Salmond, G Shepperson, T Sims, S Walker, G Watts, G Krull, J Krull, B De Vries, P Cilliers

4. **ESTABLISHMENT OF A QUORUM :**  
Mr Adams explained to all the owners that as the Shareblock had passed a new Memorandum of Incorporation, that the required Quorum is now established at 1% of the owner base. The numbers represented via attendance and proxies exceeds the required 1% and the quorum was therefore established
5. **PRESENTATION OF MINUTES OF AGM OF 06 DECEMBER 2015**  
Mr Adams asked whether there were any amendments to be made to the minutes ?  
With no amendments requested , Mr Adams asked for someone to please propose that the minutes be accepted. Mr Hatfield proposed and he was seconded by Mr Donnelly.  
The minutes were adopted.
6. **MATTERS ARISING FROM THE MINUTES.**  
Mr Adams asked the floor whether there were any matters arising from the minutes.  
Mrs Stacey said that she was unable to comment as this was the first time she had seen the minutes. Mary-Ann requested that she please check with her that her e-mail address is correct. Mr Adams suggested that we add the minutes to our website and make it

available as a downloadable PDF document. GW / MAW to arrange this on behalf of the Board.

Mr Hatfield asked for an update on the removal of trees. Has there been any movement. Mr Adams re-directed the question to Glenn Wanliss. GW responded saying that there has been no movement to date , the quotation received last year is still on file and the removal will begin based on financial resources. The removal therefore remains on the list

Mr Adams raised the question regarding the monkeys on the estate. GW explained that they still remain a problem. We are still trying various options with regards to preventing the monkeys from entering the chalets via the windows. ( doors still remain the occupants responsibility ). GW explained that we have installed mesh to various windows in No's 3 and 9 as a pilot project and that at the last Board Meeting the project had been approved for all chalets. This work will be completed before the 2015 holiday season. 1 window in each room , and 2 in the dining room will be protected .

#### **7. PRESENTATION OF CHAIRMANS REPORT**

Mr Adams referred all present to the report as printed in the AGM pack. He then proceeded to highlight a few items as reflected in his report. Mr Adams then raised the concern of non – paying owners and that the Share block is once again having to repossess weeks as a result of the owners accruing bad debt – 2 weeks immediately with more to come during 2015. Mr Adams then appealed to the owners to please market the resort to friends , family and colleagues in order to get paying owners into those weeks. Mr Adams also responded to the question of perhaps holding the AGM earlier in the year. He explained that it is the intention of the Board to do this , however we were unable to arrange it this year due to the untimely death of The Lane's bookkeeper , Mrs Barabara Sclanders. Unfortunately the result thereof , was that we experienced some delays whilst the new accountants got themselves up to speed with our books. Every effort will be made during 2016 to ensure that the AGM is held earlier in the year. Mr Adams then explained that the 2015 Budget meeting will be held late October / early November , where the levies for 2016 will be decided. Management will then advise all owners of the new 2016 levy.

Mr Adams advised all present that management had to dismiss 2 staff members late last year , that the staff have been replaced and that they have settled into a good work ethic and team spirit.

Champagne Lane continues to be a Gold Crown resort via ongoing RCI assessments. Mr Adams then thanked Management on site for the work they do and commended them on their efforts.

Mr Adams then thanked the board members for their passion and commitment to the interests of Champagne Lane

Mr Adams then asked the floor if there were any questions arising from his report ?

#### **8. PRESENTATION OF AUDITED FINANCIAL STATEMENTS , DIRECTOR'S REPORT , AUDITOR'S REPORT IRO THE 10 MONTH PERIOD ENDED 31 DECEMBER 2014.**

Mr Adams reminded all present that at the 2014 AGM it was agreed to alter the financial year end to coincide exactly with the timeshare calendar. This therefore means that the financial statements , as presented , are for the 10 month period ended December 2014 As at the 2016 AGM the financials will reflect a 12 month period.

Champagne Lane has a clear audit report

Statement of Financial Position ( Balance sheet ) reflects a cash balance of nigh on 1 million rand , when compared with February 2014 which was approximately R160 000.

Mr Adams highlighted the surplus achieved , a retained income of R125 000 and explained that it is not a great deal of money when one considers that we have big capital expenses going forward

Statement of Comprehensive Income ( Levy Statement ). Per the use agreement , in November 2013 levies were raised annually in advance , the first year being a little tough as owners had to adjust to the new process , the nett result being that we were able to invest the income received in a call account – which means that the interest earned is up from approximately R3000 at February 2014 to almost R23 000 at December 2014 , which in the long term will assist in managing levies.

Statement of cash flow showed that our increase in cash on hand went from R160 000 to nearly R 1 000 000.

Notes to financial statements

Detailed Income Statement – Surplus of R 295 000 less the accumulated deficit ( at February 2014 ) leaves Champagne Lane with a surplus of R 125 000.

Mr Adams then opened the floor for questions arising from the financials.

The interest earned was clarified as being for the 10 month financials – the first R50 000 earned by share block companies is tax free.

There being no further questions, Mr Adams asked for proposals to accept the financials Mr H Thiel proposed and seconded by Mr B Bolton

Financials for year ended December 2014 thereby accepted

#### **9. APPROVAL OF AUDITOR'S REMUNERATION**

Mr Adams detailed that Baker Tilly have been the auditors to Champagne Lane for many years and that the audit fee currently stands at R29 000 and that for a share block company of the size of Champagne Lane is very reasonable. He also pointed out that we have a very good relationship with Baker Tilly and that he would recommend that we retain their services

All present agreed on the remuneration

#### **10. APPOINTMENT OF AUDITORS FOR THE YEAR ENDING 31 DECEMBER 2015**

Mr Adams stated that he is happy with continuing the current relationship with Baker Tilly

Mr Adam's explained that in terms of legislation we have to change partners within Baker Tilly, but he knows the partner that will be appointed to us and is very confident in him and his ability.

All present in agreement

#### **11. TO DETERMINE THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR**

Mr Hatfield proposed that we consider increasing the number of directors from 6 to 7 members. His opinion is that the current board has been in office for too many years and that we need to inject new blood and input. The Board and owners were in agreement.

Mr Adams explained that in terms of our Memorandum of Incorporation the directors are in office for 3 years – which means that a third of the board rotates every year. Directors which are therefore up for election this year are Barry Garland and David Perry. Both are eligible and are prepared to re-stand. Mr Adams asked for further nominations?

Mrs Hatfield requested clarification and explanation of the responsibilities of board members

Mr Adams explained that there are 6 meetings held per year ( every second month ) either in Durban or Pinetown ( alternating ) . There are also 2 additional meetings , being : The AGM and the annual Budget Meeting ( preferably on site at the resort ).



Directors are paid R750.00 in fees , per meeting attended and reasonable travel expenses Director's responsibilities IRO the Companies Act being that they are expected to manage finances and the levy debtors and to assist Glenn Wanliss in his capital projects and the respective costs

There were no nominations – several owners were asked whether they would be prepared to stand – unfortunately work commitments would not allow them to commit fully

Mr Adams reminded the owners that we do have a vacancy and that the board does have the right to co-opt during the year.

## **12. ELECTION OF DIRECTORS**

There being no new nominations, Mr Barry Garland and Mr Dave Perry were re-elected for a further 3 years

## **13. APPOINTMENT OF AUDIT COMMITTEE**

The current committee to remain in place. Members being: Hedley Adams , William Hatfield and David Perry

## **14. APPROVAL OF DIRECTORS' REMUNERATION**

Mr Adams reminded the owners that in terms of the Companies Act, section 66(9) Directors' fees have to be approved at the AGM. That fee is currently at R750 per meeting and reasonable travel costs covered. Directors' fees approved by the floor.

## **15. MANAGER'S REPORT ( Additional to Agenda )**

Mary – Ann re-iterated the financial changes ( specific to levies ) and the massive benefits it affords to the management team. As a result we have been able to start spending at the resort. Management would like to thank all owners that have come on board with this process as it really assists management and in the long term will benefit the resort and it's owners. Our initial collect was in the region of 70%. A permanent struggle for Mary-Ann is the issue of correct contact details for the owners as we have moved away from hard copy and SA Post Office delivery , into electronic delivery of levies , statements, occupation sheets and communications. Mary-Ann made an appeal to all owners to please ensure that she is updated should the contact details change.

Mary-Ann advised all owners of our website and that we hope to make it a central hub for important communications and updates. She also reminded guests to please check the 2016 calendar which is in the AGM booklet.

Mary-Ann was questioned regarding the change in e-mail address. She responded by saying that the two will be run concurrently and once she is sure that the larger majority of people are using the new address, the old address will then be cancelled. Once cancelled, mails sent by owners will bounce back to them as "undeliverable " which should , theoretically , initiate a phone call to The Lane and the new address will then be provided telephonically.

Mary-Ann was questioned regarding the occupation sheets. These will always be mailed 6 weeks prior to occupation.

Glenn also thanked the owners for the way in which they have embraced the new levy process, explaining just how crucial it is to management and the board in being able to work to a budget , manage expenses and ultimately improve the resort. What it has enabled us to do is to launch the 5 year rollout program drawn up a few years ago.

General maintenance continues per budget and the ( ex surplus ) capital projects have now been started and during this year include the full re-thatch of Unit 11 ( all units to be re-thatched over the next 5 years ) and the re-lining of all three heated swimming pools ,

new fridges ( 4 of ) , new stoves ( 4 of ) , bathroom blinds ( delivery October 2015 ) , replacement of all toilet seats , gate and guardhouse , fencing of workshop , gate and perimeter of managers house this year , replacement of shadecloth carports , and all bath and hand towels before the end of this year.

Glenn also raised the issue of doubtful debts explaining that we are currently in a situation where we have several owners in a bad debt predicament. Although catered for in our budget , we would like to be sure that our budgeted expenses to the end of December 2015 are catered for before we continue with ( projected ) surplus spend. As a result Glenn explained that we are stepping off slightly with regard to capital expenditure just to ensure that we do not spend monies which may or may not be collected before 31 December 2015. Budgeted purchases will still happen , but we don't want to strangle ourselves and de-rail the 5 year plan. Glenn stated that he is happy with where The Lane finds itself financially , there is a concern around potential bad debt – which unfortunately is the reality of any business – but these debtors are being pursued and all efforts will be made to ensure the financial stability of Champagne Lane.

## **16. GENERAL**

Questions from the floor kicked off with the question around trees and aliens. Glenn explained that legislation passed in Parliament in February 2015 states that all landowners have to eradicate alien species over the next 4 years and should inspections be carried out and you are found to have not met the deadline a fine of “ up to R 10 million “ can be imposed. We have already started on the estate and all rivers have been cleared and treated for wattle and bugweed. We still await a visit from the Botanical Gardens to advise on a tree replacement programme which at present seems to be the replacement of ( sick ) oak trees with a fast growing Natal Stinkwood. Transvaal Gold at the communal heated pool will be removed this year. The Poplar trees at Unit 11 also to be removed. The sick trees ( Oaks ) will be trimmed and managed as the limbs become dangerous , eventually a complete removal. The fir ( conifer ) trees at the gate which are now damaging foundations of the laundry will also be removed completely.

Mr Harvey Thiel stated that he – although speaking – was sure that he was speaking on behalf of all owners – saying how grateful they all are to the Board and management and how very fortunate they are as owners to have such competent people in place to manage their resort.

Mr Graham Watts raised the issue of the monkeys. His proposal was capture or shoot. Glenn answered that shooting is an ( emotional and provocative ) issue and as advised by Parks Board ( Ezemvelo ) – the Vervet Monkey is not a protected species - it is the environment of the vervet monkey which is protected. By that definition if the monkeys are having an impact on your business , one is allowed to shoot – controlled shooting. Glenn indicated that the board would prefer not to shoot and adopt the softer option of protecting the interior of your chalet ( mesh ) and leave the responsibility of doors to the occupants.

Viv Garland raised the other question of re-habitation by a new troop once the old troop is eradicated. This a very real concern , and as long as there is forestation , there will always be monkeys.

Glenn was asked to investigate the possibility of sterilisation

Ezemvelo do not offer sterilisation as a service

William Hatfield suggested we have signage / posters made indicating a fine system to all occupants if caught feeding the monkeys.

Really graphic posters to highlight the seriousness of the issue

Carol Robson suggested a deposit payment system for tazer ( low powered ) hire as the sound frightens the monkeys.

Mr Andrews requested an updated list of weeks for sale – suggestion was made to post on the website – Mary-Ann to investigate . Perhaps mail every second month to all owners

Mr Watts raised the issue of the timber veranda furniture and the practicality of the product for older folk. Glenn advised that the board have discussed the furniture and dependant on finances are considering upgrading to aluminium furniture ( product range Silhouette ). These will happen on a budgeted replacement programme once approved

**CLOSING**

There being no further questions , Mr Adams thanked everyone for their attendance and input.

Mr Adams also thanked Charlotte Hatfield and Ros Donnelly and Viv Garland for their assistance in providing tea and snacks for all attendees.

There being no further business the meeting was closed at 11:55 am

Confirmed

DATE:.....

.....  
CHAIRMAN

**CHAMPAGNE LANE SHARE BLOCK LIMITED**  
**(Registration No: 1989/001642/06)**

**CHAIRMAN'S REPORT**

**IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2016**

***Dear Members***

It is my pleasure to present this report on the activities at your Resort during the past financial year.

At the outset, may I express my appreciation to those Members who have taken the time and trouble to be this Annual General Meeting.

I look forward to input from Members in respect of the operations at the Champagne Lane.

**Financial Statements**

It will be noted that our Reserves at the end of December 2016 are almost the same as the Reserves at the end of December 2015.

The Income Statement reflects a deficit. However, in accordance with share block accounting treatment as issued by the South African Institute of Chartered Accountants, all capital expenditure is expensed through the Income Statement. Thus, the deficit is after expensing our capital expenditure. Details of the capital expenditure programme are highlighted in the Management Report included in the Annual Report.

Levy Debtors have reflected an improvement, and this is due to a great deal of time and effort by Carol Robson and Barry Garland, and our thanks go to them for all their hard work.

**Levies**

The Board will be meeting later in the year to compile the budget for 2017 and Members will be notified in due course in respect of levies payable for 2017.

**Marketing**

There is a great need to market our Resort, both from the point of view of increasing rentals on behalf of owners, and to enable the Resort to sell timeshare weeks that have been repossessed.

Consequently, we have engaged the services of a social media consultant and, as a result of this our website has been revamped, our dormant Facebook page has been refreshed, and the Resort now has a presence on Instagram and Twitter as well.

Some Members may not appreciate the power of such marketing, but to get our Resort known, we have to use modern ideas. Those Members who have social media accounts on the platforms noted above are encouraged to connect to our sites and to 'like' them so that the message can be spread as far as possible.

**Management and Staff**

Appreciation is extended to all our staff on the Resort for the efforts they put in to make a stay at the Resort an unforgettable experience.

Special thanks to Glenn and Mary-Ann who are passionate about Champagne Lane and manage the Resort on a day-to-day basis for the benefit of all Members.

**The Board**

I serve on many Boards, but seldom have I come across a Board like our Board who are committed and passionate about the Resort.

My personal thanks are given to each of the Directors on the Board.

**Sincerely**

**Hedley M Adams**  
**Chairman**

## MANAGEMENT REPORT 2017

Greetings owners.

Wow !!!! it's hard to come to terms with how time is flying, and here we are again preparing for another AGM, when it feels like the last one wasn't too long ago.

While this year's AGM is a little earlier than last year, crazy to note that 10 months have gone by.

During this period there have been some changes, some major, some not so.

With regards to staffing, we have had one resignation, and two retirees.

Justine left us in November, and has been replaced by Angelique Cloete as the office receptionist. Her job description is the same as pointed out in last year's management report.

I have only been to one trade show since the last AGM, and this was in Cape town. This yielded 2 sales for us, and 4 rentals. The Durban Show, was held in June, however the "Drakensberg Experience" never participated this year, so there was no one to piggy back onto so we weren't exposed to it. Johannesburg get-away show runs from the 23<sup>rd</sup> – 25<sup>th</sup> of September, and I'm sure to be receiving information around that soon.

Staying with the marketing portfolio, we have revamped ( actually recreated) our website now. The address remains the same – [www.champagnelane.co.za](http://www.champagnelane.co.za) . please go and have a look. If there are any suggestions, we are open to them.

Linked to our website now are various social media platforms namely, twitter, Facebook, and Instagram. So if you " roll" with any of these platforms, please "like " us, "tweet" about us and "follow" us.

With regard to the debt collection, we are slowly winning. Our age analysis as at 30 June 2017 is sitting at R399 128.00 (120 days and over) as opposed to the same time last year, 30 June 2016 being R716 981.00.

Once again I would like to implore you to familiarise yourself with the new levy payment process. I am still getting queries as to why late payment penalties are applied if occupation is in the latter half of the year. As explained for the last 3 years now, I raise levies in November each year, for the following year. You have until the end of February that year to pay in full, and qualify for the early payment discount. (4 months' notice).

Should payment not be received by 1<sup>st</sup> April, penalties will be raised against the account monthly, on a sliding scale based on what is outstanding as follows: -

R0 – R5 000.00 = R50.00 per month

R5 001.00 – R10 000 = R100.00 per month

R10 001.00 + = R150.00 per month.

For those of you who let the unit (rent for cash) in order to cover the levy, please be aware that the rental income may not cover both levy and penalties. Please bear this in mind, particularly should your occupation date be in the latter half of the year.

Our RCI grading remained Silver this year (for RCI year running 1 Sept 2015 – 31 August 2016, awarded March 2017)

We are now in year 3 of our 5 year roll out programme and addition to the last report on objectives reached, the following tasks have been completed in the **2016 financial year**:-

**Rethatching completed** - chalets 1, 4 and 7

- lapa and umbrellas at the swimming pools

**Estate** - Replacement (upgrade) of all patio umbrellas and clothes horses

- Reconstruction of Front gate Entrance and guard house

- Construction of rock feature retainer wall at tennis court

**Interior** -Replaced 7 stoves

White bed sheets throughout all chalets

Complete pot sets in all 8 sleepers

New toilet seats on all toilets

Fitment of monkey mesh on strategic windows

Work continued in **2017**, and as at present date the following have been achieved: -

**Rethatching completed** - chalets 3, 5 and 8

**Interior** -New pillows throughout

New pillow protectors

**Estate** -Completion of Front Gate Entrance including new signage

-New signage throughout the resort

-Laundry alterations

-Linen room alterations

-Mini Golf refurbishment. This has yet to be completed. We have just placed the order for the new carpet which will be laid.

It is to be noted, that During October 2016, Hollard Insurance sent an assessor to the resort to carry out an Insurance Risk Survey. Their findings were that there were several issues which needed attention in order to maintain our cover. This has resulted in us having to spend out of reserves on these items of concern which in turn has meant that we will not be able to complete all planned reserve expenditure projects during 2017.

The areas of concern were as follows:

Structural foundation repairs to the workshop, linen and laundry

Inner and outer wall structural repairs

Re-thatching of chalets, reception and games room (still on rollout timings)

Surge protection per distribution board (on the entire estate) 2 phase

Surge protection on all kiosks (sub stations) workshop, laundry and stables (3 phase)

Tree felling

All in all the costs related to meet these requirements as laid out by the insurer's totalled an amount of R 128 563. This money had been allocated to various reserve expenditure projects for 2017 but unfortunately had to be spent on these projects as Hollard gave us a dead-line end of Feb 2017 to complete these tasks.

General chalet and Estate maintenance continues as per budgeted works.

We are very excited to report that we have had 2 Owners Co-opted onto the board since our first board meeting this year in February. Brad Bricknell and Trevor Martin have attended 3 meetings now, and have assisted the board, and management with decisions taking place. From the Managements perspective, their support has been invaluable, and would ask you to support us, in voting them in as full directors at the AGM. We think they have a lot to offer the Resort.

While referring to the Board of Directors, we would like to take this opportunity to thank all our Directors for their support and guidance. It is indeed a pleasure dealing with a Board that shares our vision for the Resort.

**Once again we urge you to ensure that we have correct contact details at all times.**

**If you are unable to attend the AGM, PLEASE remember to complete your proxy form and return it to us at least 48 hours prior to the meeting.**

**YOUR VOTE IS IMPORTANT!!**

We would like to thank you all for your continued support of Management and all staff, and look forward to a successful year ahead.

Kind Regards

Glenn and Mary-Ann Wanliss

July 2017

## CHAMPAGNE LANE CALENDAR YR 2018

RCI Grade	Module	WK No	Period	RCI Grade	Module	WK No	Period
Peak 3	P01	1	5 Jan - 12 Jan	Peak 2	P05	27	6 Jul - 13 Jul
Peak 1	P12	2	12 Jan - 19 Jan	Red	P02	28	13 Jul - 20 Jul
Red	H01	3	19 Jan - 26 Jan	Red	H09	29	20 Jul - 27 Jul
Red	M14	4	26 Jan - 2 Feb	Red	M03	30	27 Jul - 3 Aug
Red	M15	5	2 Feb - 9 Feb	Red	M04	31	3 Aug - 10 Aug
Red	F01	6	9 Feb - 16 Feb	Red	M05	32	10 Aug - 17 Aug
Red	F02	7	16 Feb - 23 Feb	Red	M06	33	17 Aug - 24 Aug
Red	F03	8	23 Feb - 2 Mar	Red	M07	34	24 Aug - 31 Aug
Red	H05	9	2 Mar - 9 Mar	Red	M08	35	31 Aug - 7 Sep
Red	H04	10	9 Mar - 16 Mar	Red	F10	36	7 Sep - 14 Sep
Red	H03	11	16 Mar - 23 Mar	Red	F11	37	14 Sep - 21 Sep
Red	H02	12	23 Mar - 30 Mar	Red	H10	38	21 Sep - 28 Sep
Peak 3	P04	13	30 Mar - 6 Apr	Peak 3	P06	39	28 Sep - 5 Oct
Red	H06	14	6 Apr - 13 Apr	Red	H11	40	5 Oct - 12 Oct
Red	F04	15	13 Apr - 20 Apr	Red	H12	41	12 Oct - 19 Oct
Red	F05	16	20 Apr - 27 Apr	Red	F12	42	19 Oct - 26 Oct
Red	F06	17	27 Apr - 4 May	Red	M13	43	26 Oct - 2 Nov
Red	H07	18	4 May - 11 May	Red	M12	44	2 Nov - 9 Nov
Red	F07	19	11 May - 18 May	Red	M11	45	9 Nov - 16 Nov
Red	F08	20	18 May - 25 May	Red	M10	46	16 Nov - 23 Nov
Red	F09	21	25 May - 1 Jun	Red	M09	47	23 Nov - 30 Nov
Red	M02	22	1 Jun - 8 Jun	Red	H13	48	30 Nov - 7 Dec
Red	M01	23	8 Jun - 15 Jun	Red	P07	49	7 Dec - 14 Dec
Red	H08	24	15 Jun - 22 Jun	Peak 3	P08	50	14 Dec - 21 Dec
Peak 2	P03	25	22 Jun - 29 Jun	Peak 4	P09	51	21 Dec - 28 Dec
Peak 2	P04	26	29 Jun - 6 July	Peak 4	P10	52	28 Dec - 4 Jan

**CHAMPAGNE LANE SHAREBLOCK LIMITED**  
**(Registration number 1989/001642/06)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Timeshare
<b>Directors</b>	H M Adams T M Donnelly B W Garland W K Hatfield D H Perry C A Robson
<b>Registered office</b>	Baker Tilly Morrison Murray 20 Westville Road Westville 4391 3629
<b>Business address</b>	Private Bag X26 Winterton 4391 3340
<b>Auditor</b>	Baker Tilly Morrison Murray Registered Auditors Chartered Accountants (S.A.)
<b>Secretary</b>	G Wanlis
<b>Company registration number</b>	1989/001642/06
<b>Tax reference number</b>	9043/111/20/3
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Clive Stewart Chartered Accountant (S.A.)
<b>issued</b>	13 June 2017

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Index

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

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# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, 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 auditor is 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 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 2017 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 auditor is 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 auditor and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 20, which have been prepared on the going concern basis, were approved by the board on 11 July 2017 and were signed on its behalf by:

Director



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**BAKER TILLY**  
**MORRISON MURRAY**

Registered Auditors  
Chartered Accountants (SA)  
20 Westville Road, Westville, 3629  
PO Box 1098, Westville, 3630  
South Africa

T: +27 (0)31 267 5300  
F: +27 (0)31 267 1838

mail@bakertillymm.co.za  
www.bakertillymm.co.za

## **Independent Auditor's Report**

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**To the shareholders of Champagne Lane Shareblock Limited**

### **Opinion**

We have audited the annual financial statements of Champagne Lane Shareblock Limited set out on pages 9 to 18, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 Lane Shareblock Limited as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### **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 financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act 71 of 2008 and the detailed income statement on pages 19 to 20, which we obtained prior to the date of this report. 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.

## **Independent Auditor's Report**

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### **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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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.

### **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.

## **Independent Auditor's Report**

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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.

*Baker Tilly Morrison Murray*  
**Baker Tilly Morrison Murray**  
**Registered Auditors**  
**Chartered Accountants (S.A.)**  
**Per: S Stanley**  
**Partner**

11 July 2017

20 Westville Road  
Westville  
3629

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Directors' Report

---

The directors have pleasure in submitting their report on the annual financial statements of Champagne Lane Shareblock Limited for the year ended 31 December 2016.

### 1. Nature of business

Champagne Lane Shareblock Limited is incorporated in South Africa and operates a time-sharing scheme within a share block company. The time-sharing scheme entitles a shareholder to use specified parts of the property in accordance with the use agreement entered into between the shareholder and the company. The company operates principally in South Africa.

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 71 of 2008. 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. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

### 4. Dividends

No dividends were declared or paid to the shareholders during the year.

### 5. Directors

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

H M Adams  
T M Donnelly  
B W Garland  
W K Hatfield  
D H Perry  
C A Robson

There have been no changes to the directorate for the year under review.

### 6. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

### 7. 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.

### 8. Going concern

The directors 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 borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any material new requirements that may adversely impact the company. 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.

## **Champagne Lane Shareblock Limited**

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### **Directors' Report**

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#### **9. Auditor**

Baker Tilly Morrison Murray will continue in office as auditor for the company for 2017 in accordance with section 90 of the Companies Act 71 of 2008.



# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Financial Position

Figures in Rand	Notes	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Net financial asset	3	4,581	4,581
<b>Current Assets</b>			
Inventories	4	307,500	112,500
Accounts receivable	5	3,280,095	2,692,769
Cash and cash equivalents	6	580,035	1,246,949
		<b>4,167,630</b>	<b>4,052,218</b>
<b>Total Assets</b>		<b>4,172,211</b>	<b>4,056,799</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	4,581	4,581
Accumulated surplus		115,663	116,507
		<b>120,244</b>	<b>121,088</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	8	217,138	208,886
Current tax payable		14,798	21,896
Provisions	9	100,200	85,800
Levies raised in advance	10	3,719,831	3,619,129
		<b>4,051,967</b>	<b>3,935,711</b>
<b>Total Equity and Liabilities</b>		<b>4,172,211</b>	<b>4,056,799</b>

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Levy income	11	3,020,813	2,615,310
Other income	12	113,088	119,517
Operating expenses		(3,213,671)	(2,758,610)
<b>Operating deficit</b>		<b>(79,770)</b>	<b>(23,783)</b>
Investment revenue	15	71,845	37,095
Finance costs		(17)	(2)
<b>(Deficit) surplus before taxation</b>		<b>(7,942)</b>	<b>13,310</b>
Taxation	16	7,098	(21,896)
<b>(Deficit) surplus for the year</b>		<b>(844)</b>	<b>(8,586)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the period</b>		<b>(844)</b>	<b>(8,586)</b>

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated surplus	Total equity
<b>Balance at 01 January 2015</b>	<b>4,581</b>	<b>125,093</b>	<b>129,674</b>
Deficit for the year	-	(8,586)	(8,586)
Other comprehensive income	-	-	-
<b>Balance at 01 January 2016</b>	<b>4,581</b>	<b>116,507</b>	<b>121,088</b>
Deficit for the year	-	(844)	(844)
Other comprehensive income	-	-	-
<b>Balance at 31 December 2016</b>	<b>4,581</b>	<b>115,663</b>	<b>120,244</b>

Note

7

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Statement of Cash Flows

Figures in Rand	Notes	2016	2015
<b>Cash flows from operating activities</b>			
Cash used in operations	18	(839,444)	(267,450)
Interest received		71,845	37,095
Finance costs		(17)	(2)
<b>Net cash from operating activities</b>		<b>(767,616)</b>	<b>(230,357)</b>
<b>Cash flows from financing activities</b>			
Movement in levies raised in advance		100,702	481,739
<b>Total cash movement for the year</b>		<b>(666,914)</b>	<b>251,382</b>
Cash at the beginning of the year		1,246,949	995,567
<b>Total cash at end of the year</b>	6	<b>580,035</b>	<b>1,246,949</b>

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

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 surplus or deficit) 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. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 surplus or deficit.

##### 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 are measured at cost less impairment.

##### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through surplus or deficit.

#### 1.2 Tax

##### Current tax assets and liabilities

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

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

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.

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 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 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

### 1.5 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating deficits.

### 1.6 Income

Income comprises levies received and other sundry income, and is recorded in the financial statements in the period that it is earned. Income received in advance is recognised as a liability at year-end.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### 1.7 Reserves and capital expenditure

Normal maintenance expenditure and capital expenditure are written off against the levy surplus.

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>2. Property, plant and equipment</b>		
<b>Details of properties</b>		
<b>Land and buildings are described as Farm 1389, portion 37 Driefontein, registration division FS, KwaZulu Natal in extent 22.8007 hectares</b>		
At cost	3,859,244	3,859,244
<p>The above cost is not recognised in the financial statements for the reason stated in Note 3 and is provided for information purposes only.</p> <p>The insured value of the property is R22,254,252.</p>		
<b>3. Net financial asset</b>		
Right of use of property vested in shareholders	3,859,244	3,859,244
Loans from shareholders	(2,185,137)	(2,185,137)
Long-term reserves	(1,426,650)	(1,426,650)
Cumulative asset costs expensed	(242,876)	(242,876)
	<b>4,581</b>	<b>4,581</b>
<p>The loans from the shareholders, together with the share capital, represent the shareholders' investment in the company, which investment in conjunction with a use agreement, gives right to accommodation in the building. In accordance with the accounting policy, the right of use vested in the shareholders has been offset against the loans from the shareholders. The net financial asset arises from the assignment of the right of use of property owned by the company to the shareholders in excess of their loans.</p>		
<b>4. Inventories</b>		
Units available for sale	307,500	112,500
<b>5. Accounts receivable</b>		
Debtors	3,204,860	2,659,306
Deposits	3,295	2,970
Insurance claims receivable	34,123	-
Prepayments	4,144	-
Staff debtors	16,400	400
VAT	17,273	30,093
	<b>3,280,095</b>	<b>2,692,769</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	558,394	1,223,698
Cash on hand	21,641	23,251
	<b>580,035</b>	<b>1,246,949</b>

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Notes to the Annual Financial Statements

Figures in Rand	2016	2015	
<b>7. Share capital</b>			
<b>Authorised</b>			
4,581 Class A ordinary shares of R1 each	4,581	4,581	
<b>Issued</b>			
4,581 Class A ordinary shares of R1 each	4,581	4,581	
<b>8. Accounts payable</b>			
Creditors	207,401	207,360	
Accrued expenses	6,369	-	
Other payables	3,368	1,526	
	<b>217,138</b>	<b>208,886</b>	
<b>9. Provisions</b>			
<b>Reconciliation of provisions - 2016</b>			
	Opening balance	Additions	Total
Provision for tractor replacement	85,800	14,400	100,200
<b>Reconciliation of provisions - 2015</b>			
	Opening balance	Additions	Total
Provision for tractor replacement	59,400	26,400	85,800
<b>10. Levies raised in advance</b>			
<b>The account balance at year-end comprises the following:</b>			
Levies raised in advance	3,719,831	3,619,129	
<b>11. Revenue</b>			
Levies received	3,158,318	2,838,055	
Discount allowed	(137,505)	(222,745)	
	<b>3,020,813</b>	<b>2,615,310</b>	
<b>12. Other income</b>			
Commissions received	-	11,546	
Games income	3,006	3,068	
General transfer fees - unit sales	7,360	5,921	
Late payment penalties received	21,570	-	
Laundry and telephone income	2,409	2,585	
Rental income	54,855	53,552	
Shop sales and general income	3,382	21,785	
Unit sales and replacements	1,955	5,321	
Video rentals	8,976	1,312	
Wood and coal sales	9,575	14,427	
	<b>113,088</b>	<b>119,517</b>	



# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>13. Auditor's remuneration</b>		
Fees	38,000	31,040
<b>14. Directors' remuneration</b>		
<b>Executive</b>		
<b>2016</b>		
	Emoluments	Total
H M Adams	4,500	4,500
T M Donnelly	4,500	4,500
B W Garland	4,500	4,500
W K Hatfield	4,500	4,500
D H Perry	1,500	1,500
C A Robson	1,500	1,500
	<b>21,000</b>	<b>21,000</b>
<b>2015</b>		
	Emoluments	Total
H M Adams	4,443	4,443
T M Donnelly	4,443	4,443
B W Garland	4,443	4,443
W K Hatfield	4,443	4,443
D H Perry	4,442	4,442
C A Robson	4,442	4,442
	<b>26,656</b>	<b>26,656</b>
<b>15. Investment revenue</b>		
Interest received		
Bank	71,845	37,095
<b>16. Taxation</b>		
<b>Current</b>		
Local income tax - current period	13,856	21,896
Local income tax - recognised in current tax for prior periods	(20,954)	-
	<b>(7,098)</b>	<b>21,896</b>

# Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>16. Taxation (continued)</b>		
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense:		
Accounting surplus	(7,942)	13,310
Tax at the applicable tax rate of 28% (2015: 28%)	(2,224)	3,727
<b>Tax effect of adjustments on taxable income</b>		
Exempt Income	(845,828)	(764,757)
Non-deductible expenditure	861,908	772,411
Prior year adjustment	(20,954)	-
Tax loss brought forward	-	10,515
	<b>(7,098)</b>	<b>21,896</b>
<b>17. Tax refunded</b>		
Balance at beginning of the year	(21,896)	-
Current tax for the year recognised in surplus or deficit	7,098	(21,896)
Balance at end of the year	14,798	21,896
	-	-
<b>18. Cash used in operations</b>		
Surplus before taxation	(7,942)	13,310
<b>Adjustments for:</b>		
Interest received	(71,845)	(37,095)
Finance costs	17	2
Movements in provisions	14,400	14,400
<b>Changes in working capital:</b>		
Inventories	(195,000)	-
Accounts receivable	(587,326)	(332,758)
Accounts payable	8,252	74,691
	<b>(839,444)</b>	<b>(267,450)</b>

### 19. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Detailed Income Statement

Figures in Rand	Notes	2016	2015
<b>Revenue</b>			
Levies received		3,158,318	2,838,055
Discount allowed		(137,505)	(222,745)
	11	<b>3,020,813</b>	<b>2,615,310</b>
<b>Cost of sales</b>			
Opening stock		(112,500)	(112,500)
Purchases		(195,000)	-
Closing stock		307,500	112,500
		-	-
<b>Other income</b>			
Commissions received		-	11,546
Games income		3,006	3,068
General transfer fees - unit sales		7,360	5,921
Laundry and telephone income		2,409	2,585
Rental income		54,855	53,552
Shop sales and general income		3,382	21,765
Unit sales and replacements		1,955	5,321
Video rentals		8,976	1,312
Unit sales and replacements		21,570	-
Wood and coal sales		9,575	14,427
		<b>113,088</b>	<b>119,517</b>
<b>Expenses (Refer to page 20)</b>			
		<b>(3,213,671)</b>	<b>(2,758,610)</b>
<b>Operating (deficit) surplus</b>			
		<b>(79,770)</b>	<b>(23,783)</b>
Investment revenue	15	71,845	37,095
Finance costs		(17)	(2)
		<b>71,828</b>	<b>37,093</b>
<b>Surplus before taxation</b>			
		<b>(7,942)</b>	<b>13,310</b>
Taxation	16	7,098	(21,896)
<b>Surplus for the period</b>			
		<b>(844)</b>	<b>(8,586)</b>

## Champagne Lane Shareblock Limited

(Registration number 1989/001642/06)

Annual Financial Statements for the year ended 31 December 2016

### Detailed Income Statement

Figures in Rand	Notes	2016	2015
<b>Operating expenses</b>			
Accounting fees		54,600	58,175
Advertising		13,200	1,724
AGM expenses		2,956	2,268
Annual return		1,385	-
Auditor's remuneration	13	38,000	31,040
Bad debts		(763)	94,266
Bank charges		12,128	11,858
Chalet inventory		-	4,913
Cleaning and laundry		54,177	61,015
Commission paid		9,641	8,755
Computer expenses		26,547	4,172
Debt collection charges		600	17,503
Electricity and water		279,853	246,670
Entertainment		24,108	14,008
Hire of equipment		6,592	6,289
Insurance		113,449	104,566
Legal expenses		-	5,995
Licences		-	7,271
Motor vehicle expenses		36,087	4,211
Payroll preparation		-	8,070
Pest control		12,653	-
Postage		481	471
Printing and stationery		14,033	11,528
Rates and taxes		41,456	38,402
Repairs and maintenance		69,299	37,721
Repairs and maintenance - chalets		524,070	290,282
Repairs and maintenance - equipment		18,894	18,954
Repairs and maintenance - grounds		8,373	34,787
Repairs and maintenance - laundry equipment		13,996	10,805
Repairs and maintenance - replacements		82,495	62,867
Repairs and maintenance - sundry materials		8,457	525
Repairs and maintenance - swimming pools		49,751	4,023
Repairs and maintenance - tractor		16,456	43,258
Security		146,549	136,448
Shop purchases		3,815	1,683
Staff expenses - relief management		11,800	4,300
Staff expenses - salaries and wages		1,346,134	1,216,108
Staff expenses - staff welfare		15,387	14,231
Staff expenses - uniforms / protective clothing		20,207	22,519
Subscriptions		50,530	36,706
Telephone and fax		17,271	14,719
Training		10,002	-
Travel - directors		596	4,514
Travel - management		26,362	25,682
Video games		7,824	2,669
Waste disposal		24,220	32,639
		<b>3,213,671</b>	<b>2,758,610</b>

**CHAMPAGNE LANE SHARE BLOCK LIMITED**  
**(Registration Number: 1989/001642/06)**

**NOMINATION FORM FOR DIRECTOR**

I/We \_\_\_\_\_

the owner/s of time module \_\_\_\_\_

in Unit \_\_\_\_\_ duly authorised hereto as a Member of the above Company, hereby nominate the following persons for election as Directors of the Company at the Annual General Meeting of the Company to be held on **26 August 2017**, and their signatures signify acceptance,

**NAMES OF PROPOSED DIRECTORS**

**SIGNATURES OF PROPOSED DIRECTORS**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**MEMBER'S SIGNATURE** \_\_\_\_\_

Nomination Forms should be completed and returned to Champagne Lane, Private Bag X26, Winterton, 3340 so as to arrive no later than **48 (forty eight) hours** before the meeting. Fax to **086 243 0703** and e-mail to [clane@futurenet.co.za](mailto:clane@futurenet.co.za) will also be acceptable.

**CHAMPAGNE LANE SHARE BLOCK LIMITED**  
**(Registration Number: 1989/001642/06)**  
**FORM OF PROXY**

I/ We \_\_\_\_\_  
(Name in block capitals)

of \_\_\_\_\_  
being a Member of CHAMPAGNE LANE SHARE BLOCK LIMITED, holding \_\_\_\_\_ number of shares, representing  
\_\_\_\_\_ vote(s) do hereby appoint:

\_\_\_\_\_ (ID No: \_\_\_\_\_)

of \_\_\_\_\_ or failing him/her:

\_\_\_\_\_ (ID No: \_\_\_\_\_)

of \_\_\_\_\_

failing him/her, the Chairman of the meeting, as my/our proxy to attend, and on a poll, vote on my/our behalf at the Annual General Meeting (as the case may be) of the Company to be held on the **26TH** day of **AUGUST 2017**, and at any adjournment thereof, as follows:

(Indicate directions to proxy by way of a cross (X) in the space provided above.)

Unless otherwise instructed, the proxy may vote as he thinks fit.

AGENDA ITEM		FOR	AGAINST	ABSTAIN
6.	To accept the Minutes of adjourned Annual General Meeting of 22 October 2016.			
9.	To accept the Audited Annual Financial Statements in respect of the year ended 28 February 2014.			
10.	To approve the Auditor's remuneration.			
11.	To appoint Auditors for the financial year ending 28 February 2015 (on recommendation of the current Audit Committee).			
14.	To elect the Directors: HMA Adams B Bricknell T Martin			
15.	To appoint the Audit Committee.			

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

SIGNATURE

**DOMICILIUM**

CHAMPAGNE LANE SHARE BLOCK LIMITED  
CENTRAL BERG OFF R600  
CHAMPAGNE VALLEY  
3340

**POSTAL ADDRESS**

PRIVATE BAG X26  
WINTERTON  
3340  
Fax: 086 243 0703  
E-mail: [clane@futurenet.co.za](mailto:clane@futurenet.co.za)

**Note 1:** This proxy must be delivered or faxed to the Secretaries of the company not less than **FORTY EIGHT HOURS** before the time appointed for the meeting.

**Note 2:** A Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Member of the Company.

**Note 3:** This Proxy shall be binding upon the Member until such time as the Member personally withdraws it and it is limited to the voting on the special and ordinary resolutions referred to herein. Unless otherwise instructed, the proxy will vote as he thinks fit. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives) must be initialed by the signatory. Documentary evidence establishing the authority of a Person signing this form of proxy in a representative capacity (i.e. on behalf of a Company, Close Corporation or Trust) must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant Member from attending the meeting and speaking and voting in Person thereat, to the exclusion of any proxy appointed in terms thereof, should such Member wish to do so.

Emailed and facsimile copies of this proxy form must be duly verified before the commencement of the meeting to be eligible for acceptance. If any one of the requirements contained herein is not fulfilled, the proxy form and/or the nomination of the proxy will be null and void.

Proxy holders must present reasonably satisfactory identification before attending and participating in the meeting.