

*The*  
**PENINSULA**  
**SHARE BLOCK (PROPRIETARY) LIMITED**  
**ANNUAL REPORT**  
**2021**

These financial statements were internally prepared by Vee de Freitas.  
These financial statements have been audited in compliance with the applicable requirements of the Companies  
Act 71 of 2008.  
Published 8 April 2022.

*The*  
**PENINSULA**  
**SHARE BLOCK (PROPRIETARY) LIMITED**  
**ANNUAL REPORT**  
**2021**

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**ANNUAL  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### DIRECTORS

A M Schlesinger · R W Dickson · H A F Patrick · R N Dickson

### NATURE OF BUSINESS

Property timesharing scheme, known as “The Peninsula”

### BUSINESS ADDRESS

313 Beach Road, Sea Point 8005

### POSTAL ADDRESS

P O Box 50453, Waterfront, 8002

### BANKERS

Standard Bank of South Africa Limited

### AUDITORS

BDO Cape Inc.

### COMPANY REGISTRATION NUMBER

1938/011635/07

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The annual financial statements were approved by the directors on 8 April 2022 and signed on their behalf by:



DIRECTOR  
(H A F Patrick)



DIRECTOR  
(R W Dickson)

## Independent Auditor's Report

To the shareholders of  
**Peninsula Share Block Proprietary Limited**

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### Opinion

We have audited the financial statements of Peninsula Share Block Proprietary Limited (the company) set out on pages 16 to 29, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Peninsula Share Block Proprietary Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Basis for opinion

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

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Peninsula Share Block Proprietary 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. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either **intends** 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 Financial Statements**

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

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

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



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Cape Town, 8001  
PO Box 2275  
Cape Town, 8000

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

*BDO South Africa Inc*

BDO South Africa Inc (Apr 6, 2022 08:07 GMT+2)

**BDO South Africa Incorporated**  
Chartered Accountants (SA)  
Registered Auditors

**Jason Glass**  
Director  
Chartered Accountant (SA)  
Registered Auditor

08 April 2022

119-123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

The members, **THE PENINSULA SHARE BLOCK (PROPRIETARY) LIMITED**

The directors have pleasure in presenting their report for the year ended 31 December 2021.

### **NATURE OF BUSINESS**

The company operates a timesharing scheme in respect of the property it owns known as "The Peninsula". The ownership of a share block in the company is linked to occupation rights granted in terms of use agreements with share block holders.

### **REVIEW OF ACTIVITIES**

The results of the company and the state of its affairs are set out in the attached financial statements.

### **MANAGEMENT**

The policy of the company is determined by the board of directors, subject to the decisions of the company in general meetings.

In terms of a written contract, the management of the company's timesharing scheme and the related hotel operation is conducted by Peninsula Management (Proprietary) Limited a wholly owned subsidiary of Dream Hotels and Resorts (Proprietary) Ltd, part of the Leisure Options Group.

In terms of a written subcontract with Peninsula Management (Proprietary) Limited, the management of the hotel is carried out by Dream Hotels and Resorts (Proprietary) Ltd, which currently manages or markets 23 hotels, game lodges and resorts in South Africa.

Dream Vacation Club ("DVC"), which is managed by Leisure Options (Pty) Ltd, is a points based membership club offering worldwide vacations on an exchange basis and remains the largest shareholder in the Share Block Company.

The Company's directors are set out on page 10 and those directors who are also directors of either of the two management companies or their holding company or trustees of the major shareholder are set out below:

#### **Directors of Peninsula Management**

A.M Schlesinger  
R.W. Dickson  
R.N. Dickson

#### **Directors of Leisure Options**

R.W. Dickson  
R.N. Dickson

#### **Directors of Dream Hotels & Resorts**

R.W. Dickson  
R.N. Dickson

#### **Trustees of Dream Vacation Club**

R.W. Dickson

### **LEVY FUND**

Under the terms of their use and occupation agreements, owners are obliged to contribute to the levy fund of the company. The levy fund provides for the following:

- management and administration of the company
- repair, upkeep and management of the company's property which is used for purposes of a timesharing scheme and related hotel operations
- the discharge of any obligations of the company
- future expenditure in respect of fixed assets.



The basic weekly levies (inclusive of VAT) applicable to the four unit types are set out below.

	<b>2021</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Mini Suite	6,458	6,652
Luxury Suite	7,749	7,981
Super Luxury Suite	8,592	8,850
Royal Suite	10,783	11,106

In addition, there are supplementary seasonal weekly levies which cover additional facilities provided during peak and high season periods.

The decision was made not to increase the levies for 2021 in recognition that timeshare owners had a difficult financial year due to the lockdown restrictions. The resort was fully opened at the beginning of 2021 and local timeshare owners that paid the full levies for 2020 and flexied their time, were encouraged to use it then. Throughout the year there were various levels of Covid-19 restrictions, but management adapted accordingly. With low occupancies and no international guests, the laundry, cleaning and maintenance services offered to the local Sea Point community in 2020 continued in order to keep housekeeping staff employed. This also meant that the resort managed to keep operational expenses low. R735K levies for week 53, not budgeted in error, contributed to the surplus at year-end, which meant that R10 million was transferred to the reserve at year-end.

The soft refurbishments that were put on hold in 2020 entered a new five-year cycle in 2021 with fresh colour schemes. R1.9 million of the 2021 Capex was deferred due to time restrictions. The reserve grew from R8.9 million last year to R12 million in 2021.

The levy fund receives "A" class levies from the timeshare owners, as reflected on the table of weekly levies set out above. It also receives "B" class levies, paid by the hotel operator from its trading income.

## **FINANCIAL RESULTS**

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

In accordance with the provisions of the Share Blocks Control Act, and in common with other timeshare operations in South Africa, this company raises an annual levy, which includes a provision for the maintenance and upkeep of the property. Asset replacement costs and major repairs to property, plant and equipment have been charged against this amount annually.

The Company adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, measuring 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year. Consequently, the value of the Property is not reflected on the Statement of Financial Position of the Company.

## **AUDIT COMMITTEE**

The report of the audit committee is included in the 2021 annual report.

## **SOCIAL AND ETHICS COMMITTEE**

Since Peninsula Share Block Ltd has more than 500 individual shareholders, it is required in terms of Section 72(4) of the Companies Act 2008 and Regulation 43(5) of the Companies Regulations 2011, to have the above committee.

The responsibilities of this committee are as follows:

To monitor the company's activities, having regards to all legal requirements, with regard to matters relating to:

- a. Social and economic development as regards to its current and future employees.
- b. Good corporate citizenship, including sponsorship and development of its surrounding community.
- c. Protection of the environment including health and public safety.
- d. Consumer and public relations.
- e. Labour and employment relationships.

The report of the committee is included in the 2021 annual report.

### **MAINTENANCE AND REFURBISHMENT**

Management continues to strive to maintain and improve the high standard of the building and the finishes at The Peninsula. A three-pronged programme, listed below, is in operation to meet these objectives.

1. Routine repairs and maintenance are budgeted for and expended as a normal levy expense.
2. Each suite is allocated a maintenance week between May and September. By grouping maintenance weeks within the building, management strives to ensure that any necessary maintenance refurbishment work is carried out with the minimum of inconvenience to owners and guests.

Points 1 and 2 were carried out at a total maintenance cost for the year of R1 260 586.

3. A long term programme for refurbishment, replacement and enhancement of fixed assets is reviewed and updated annually against a 10 year capex plan. The expenditure incurred in terms of this programme is charged against the Reserve for Expenditure on Fixed Assets and amounted to R7 045 479 during 2021. This included the following programmes and additions:
  - Replacing 26 suites' sleeper couches, bedspreads, curtains and other softs
  - Refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs
  - Refurbishment of kitchens in 10 suites
  - Refurbishment of bedroom cupboard fronts in 10 suites
  - Replacing carpets in 19 suites
  - Refurbishment of 10 suite bathrooms and 1 shower conversion
  - Replacing floor tiles in 11 suite balconies
  - Replacing all small television sets in lounges
  - Replacement of entrance revolving door

### **FIXED ASSETS**

A gross amount of R10 144 973 was transferred from the levy fund to the reserve for expenditure on fixed assets and an amount of R7 045 479 was expended against the reserve.

At the end of the 2021 financial year, the reserve amounted to R12 027 046. This reserve is adequately covered by the cash resources of the company, which amounted to R9 402 564 at the balance sheet date and 24 hour notice unit trust investments of R9 156 236 . The directors are committed to ensuring that the reserve for expenditure on fixed assets remains sufficient to maintain The Peninsula's facilities at an appropriate level.

**HOTEL OPERATIONS**

The Peninsula Management Company is owned by Dream Hotels and Resorts who manage the Hotel operations on behalf of the Shareblock Company and own the "B" class shares running the Food and Beverage operations within the property,

2021 proved to be more challenging operationally than the previous year, trading under a national state of disaster with various adjustments in levels of Covid-19 lockdown regulations as we experienced different waves of the pandemic. At no stage over the year were we unable accommodate guests, however curfew times and restaurant operating hours were restricted as was the ability to sell alcoholic beverages. International leisure travel was strictly regulated over the year which did have an impact on our International timeshare owners and our ability to sell hotel rooms to the traditional markets. We did change our marketing strategies and pricing to accommodate the domestic market and managed to achieve some excellent results as indicated below.

Room revenue of R6.2 million showed an 8.9% increase on the previous year. The room sale efficiency in the rental pool was 33.4%, an increase of 15.7% and the average daily room rate increased by 2% to R1589.

Additional income to offset housekeeping and maintenance wage costs were continued with the creation of external maintenance and cleaning services. Management is very proud to say that with these measures we prevented the need to enter an expensive retrenchment exercise.

The Sunset Restaurant remained closed throughout the year and this area was utilized for business workstations and special events within the Covid-19 operating parameters. When necessary, it became an extension to the Strolla Restaurant for breakfast and Face's Lounge for casual dining. All Food and Beverage revenues and expenses were managed through the Strolla Restaurant income statement.

Food and Beverage income for 2021 was R12.9 million, an increase of R3.1 million on the previous year, but was less than budgeted by R2.4 million.

The contribution of "B" class levies to the levy fund was R1.7 million, a decrease on previous year of R3.9 million due to no accommodation sundry income, which was only applicable during lockdown while no rental pool was being offered.

2021 total income was 20.5% lower than budget and 6.4% lower than previous year.

The Peninsula has maintained the 4-star hotel grading from the Tourism Grading Council and achieved a level 8 BBBEE rating for the Management Company. The resort achieved 87% for its external Health and Safety audit and continues to lead the field in sustainability through its association with ERO and our established greening program.

Although the results have not been as impressive when comparing to the previous year where we received greater governmental support through TERS and through our insurance claim for Business Interruption, we are very proud to have kept our heads above water under very challenging circumstances.

**PROPERTY ENHANCEMENTS**

The design decisions are made by a committee who meet quarterly to discuss changes and implementation of interior design, consisting of Dee De Kock (Interior Designer), Di Gordon, Fuaad Sieed (Property Manager) and Chris Godenir.

In 2021 we completed the soft refurbishment planned for 2020 consisting of 26 suites including 801, our Presidential suite with an entirely new jacuzzi deck. The refurbishment includes replacing sleeper couches, bedspreads, curtains and the refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs.

The final 10 suites requiring new kitchens and including the replacement of bedroom cupboards were completed and we replaced carpets in 19 suites.

The front entrance revolving door has been replaced with a new much larger automated door and the manual doors have been relocated off the Society Room foyer, allowing for a separate entrance to the conference and banqueting area. Our

suite door locks have all been upgraded to adapt to a key card being accessible on your smart phone. We can now provide you with an online check-in and issue you your key card prior to arrival.

The Peninsula has a comprehensive rolling 10 year capital refurbishment plan which ensures that it maintains its status as the Premier Timeshare Resort in South Africa. The General Manager is always willing to go through the finer details with any shareholder who is visiting the property.

### **COVID-19 – GOING CONCERN 2021**

The country entered 2021 on Covid-19 restrictions with curfew set at 9H00 pm, closure of beaches and ban on alcohol sales. This did put strain on accommodation and food and beverage operations, which affected the rental pool dividends to owners and "B" class levy revenue negatively.

International travel re-opened in 2021, but with restrictions attached. International owners still did not feel safe to travel and either space banked, flexied or placed their weeks into the rental pool. As vaccines became available in February 2021, so the restrictions were eased.

Throughout 2021, the company remained focused on finding ways to attract the local tourists to the hotel, while managing costs to an acceptable level. Since moving to adjusted level 1 in December 2021 and coming off the UK red list, international timeshare and hotel bookings started coming in. It is management's belief that regulations will ease further during 2022, allowing the company to start moving to pre-2020 economic conditions.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the actions planned, will allow the company to remain viable and meet its obligations as they fall due in the ordinary course of business. For the basis of preparation of the consolidation, the Directors have considered the following:

- Budgeted forecasts with cost cutting measures resulting in curtailed losses that should reduce cash outflows sufficient to weather the current crisis.

Cost cutting measures include:

- Permanent staff will be used some areas of the winter maintenance program, thus cutting down on external artisans employed
- Permanent staff will be utilized as external cleaning, decontamination, maintenance and laundry service
- Other miscellaneous cost reductions.

### **SHARE CAPITAL**

The share capital of the company is divided into share blocks. The ownership of a share block confers occupation rights of the company's property, granted in terms of use agreements with share block holders, which inter-alia provide for the following:

- the granting of exclusive rights of use and occupation of accommodation for determinable periods during the year
- levy contributions

### **DIVIDENDS**

Due to the nature of the company's operations, no dividends were declared or paid.

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

## DIRECTORS' REPORT

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### DIRECTORS

The directors of the company in office during the year and at the date of this report are:

A.M. Schlesinger	-	"B" class director and chairman
R.W. Dickson	-	"A" class director
H.A.F. Patrick	-	"A" class director
R.N. Dickson	-	"B" class director

### SECRETARY

The secretary of the company is:	Leisure Options (Pty) Ltd 310 Main Road Bryanston 2021
Postal address:	P.O.Box 786027 Sandton 2146

## REPORT OF THE AUDIT COMMITTEE

### 1. MEMBERSHIP

The shareholders appointed the committee for the 2021 financial year at the annual general meeting in May 2021 and will be requested to approve the appointment of the chairman and members of the committee for the 2022 financial year at the annual general meeting scheduled for June 2022.

The committee consists of the following independent and non-executive Directors of the company together with the company Financial Manager and the Company Compliance officer:

Weston Dickson  
 Nick Dickson  
 Hugh Patrick – Chairman  
 Vee de Freitas – Financial Manager  
 Abdul Davids – Compliance Officer

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94 (5) of the Companies Act 71 of 2008 and regulation 42 of the Companies Regulations 2011.

### 2. MEETINGS HELD BY THE COMMITTEE

The committee meets with the internal accounts department and external auditors on a regular basis, also without management and other directors being present, and considers its findings and recommendations, as well as other information that may be relevant in carrying out their mandate or specific tasks entrusted to it by the board. The external auditors have unrestricted access to the chairman of the committee, which ensures that their independence is not impaired.

The Audit Committee held one physical meeting and three virtual meetings during the year.

Attendance at the meeting is shown in the table below:

Director	25/02/2021	27/05/2021	28/08/21	28/10/2021
Mr. Hugh Patrick	√	√	√	√
Mr. Weston Dickson	√	√		√
Mr. Nick Dickson	√		√	√
Mr. Vee de Freitas – Fin. Manager	√	√	√	√
Mr. Abdul Davids – Compliance Officer	√	√		√
External Auditors – Jason Glass	√			√
External Auditors – Matthew Esbach	√			√

### 3. KEY FUNCTIONS AND RESPONSIBILITIES

The Committee:

In the execution of its duties according to the requirements of the Companies Act, the committee is responsible for the discussion and determination of:

- The effectiveness of internal control systems and risk management, including information technology, as well as the quality of management information, accounting policy and reporting to share holders and other interested parties;
- The independence of the auditors and the annual fees to be paid to them;
- The extent of and fees payable for any non-audit work to be performed by the auditors;
- Any concerns or complaints relating to the accounting practice, the auditing of the financial statements and the internal financial control environment;
- Any submissions to be made to the board on matters concerning the company's accounting policies, financial control, recording and reporting;
- The accuracy of the annual financial statements as prepared by the auditors;
- Any recommendations to be made to the board or the shareholders;
- Co-operation with the Social and Ethics Committee including the attendance of the Committee Chairman at meetings of the S & E Committee;

**REPORT OF THE AUDIT COMMITTEE**

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- Continuous review of the effectiveness of the company's IT systems. During the year both a new server and the latest version of Office 365 were installed;
- The financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks.

**4. INTERNAL CONTROL AND INTERNAL AUDIT**

The Committee:

- Reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the report of the internal auditors on the company's systems of internal control including financial controls, business risks, management and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained and that the systems safeguarded the company's assets' unauthorized use or disposal;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in respect thereto;
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory;
- Reviewed the renewed physical internal audits whereby Peninsula staff audited another group location and vice versa;
- Arranged that a full IT system restoration was conducted during the year. In addition an external specialist company is employed to conduct an annual system penetration test.
- Reviewed a report on the successful implementation of the POPI Act. Provisions within the company; and
- Concluded that there were no material breakdowns in internal control.

**5. FINANCIAL MANAGER AND FINANCE FUNCTION**

The committee:

- Considered the appropriateness of the experiences and expertise of the company's financial manager and concluded that this was appropriate; and
- Considered the expertise, resources and experience of the financial function and concluded that these were appropriate.

**6. EXTERNAL AUDIT**

The committee:

- Nominated BDO South Africa Incorporated as auditors to the shareholders for appointment for the financial year ended December 31 2021, of the company, and ensured that the appointment complied with legal and regulatory requirements for the appointment of an auditor;
- Approved the external audit representation letters, the audit plan and the budgeted audit fees payable to the external auditors;
- Determined the nature and extent of all non-audit services provided by the auditors and pre-approved all non-audit services undertaken;
- Obtained assurances from the auditors that adequate accounting records were being maintained;
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act;
- Two meetings were held with the external auditors during the year, one physical and one virtual.

**INDEPENDENCE OF EXTERNAL AUDITORS**

The committee is satisfied that BDO Cape Incorporated is independent of the company after taking the following factors into account:

- Representations made by the auditors to the committee;
- The auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- The auditors' independence was not impaired by any consultancy, advisory or other work undertaken;
- The auditors' independence was not prejudiced as a result of any previous appointment as auditors; and
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

**7. RISK MANAGEMENT AND LEGAL REQUIREMENTS**

The committee

- Reviewed the company's policies on risk management, including information technology risks and found them to be sound;
- Reviewed with management legal matters that could have a material impact on the company;
- Reviewed the adequacy and effectiveness of the company's procedures to ensure compliance with legal and regulatory responsibilities; and
- Considered reports provided by management, internal assurance providers and the external auditors regarding compliance with legal regulatory requirements.

**8. OPINION**

The committee:

- The auditors are independent as detailed in point 6 above;
- The company's internal controls and risk management are sufficient, as detailed in point 4 above;
- The annual financial statements were prepared in accordance with international financial reporting standards (IFRS) and comply with these standards. It was recommended that the board approve the statements;
- The audit fee is reasonable taking into consideration such factors, as timing of the audit, the extent and scope of the work required, and has therefore been approved;
- There are no other matters which are to be revealed to shareholders, which have not been covered in the annual financial statements and directors' report.

**9. DISCHARGE OF RESPONSIBILITIES**

The committee determined that during the financial year under review it had discharged its legal and other responsibilities in terms of the Act. The Board concurred with this assessment.



**H A F Patrick**  
**Chairman – Audit Committee**



**Members**

Chris Godenir – Chairman and Peninsula GM  
Hugh Patrick – Peninsula Director  
Di Gordon - Peninsula Management Director  
Vee de Freitas – Peninsula Financial Manager  
Brent Johansen – Peninsula Rooms Division Manager  
Lwandile Makubalo – Peninsula Personnel & Committee Administrator

In 2021 the Peninsula Board confirmed the above committee to comply with Legislation and it has met 4 times over the past year with Hugh Patrick representing Share Block Directors and Di Gordon representing Peninsula Management Directors.

**Purpose and Role of Committee**

The committee assists the board in ensuring that the company is and remains a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the company conducts operations in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of sustainable development, social and ethics related matters which, inter alia, include the following:

a) Health

The Peninsula offers all its employees the opportunity to participate in a medical aid scheme where the basic cover in Momentum Health for Me the contributions are 100% covered for the employee by The Peninsula. Every year there is a free wellness day when a local clinic runs a free testing centre at The Peninsula, this year taking place on the 14<sup>th</sup> and 15<sup>th</sup> September where free COVID vaccinations were encouraged and offered.

b) Occupational hygiene

The Peninsula Kitchen, Store Rooms, Refuse Area, Bars and Change Rooms are inspected and audited 4 times a year by QPRO. An independent organization Gripp Advisory services has been appointed to annually carry out a full Food Safety and Health and Safety Audit completed each year in December and certificate of compliance issued.

c) HIV/Aids

The Peninsula has a HIV Policy document in its policies and procedures. Free HIV testing is made available for all staff by a local Clinic on the awareness day mentioned under Health.

d) Ethics management

The Peninsula has a reputation for developmental management and has achieved some great success stories over the years. This is monitored and measured through a recognized performance management system and the completion of its annual workplace skills plan. In the staff workshops throughout the year the theme for 2021 was identifying our “North Star” and introduction of the new Group Mission Vision and Values and emphasizing importance of “Drum Beats” and a new internal language. The company has various external and internal audits throughout the year and is compliant with all legislation. New POPI regulations for the protection of personal information have been implemented and Abdulah Davids our Compliance Officer has been registered with the regulator.

e) Corporate social investment

Through its active Equity Committee, The Peninsula has a well-prepared CSI plan which is prepared annually. Its main charity is the SOS Children’s Village in Thornton and it actively supports its “charity starts at home program”, Red Cross Children’s Hospital, Musiquelaine, Street Smart and other worthwhile requests that meet equity criteria. We support the Dream Hotels & Resorts main charity project Christel House a school based in Cape Town founded by Christel De Haan founder of RCI.

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**REPORT OF THE SOCIAL & ETHICS COMMITTEE**

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f) Environmental management

The Peninsula is supported by ERO, an environmental management company, and there is a working policy in place. There has been a new SEMP grading system which monitors energy, water, carbon footprint and waste and we are currently rated 4 stars on all 4 categories, our scores are proudly displayed on our website.

g) Sustainability strategy and framework

With both our 10 year capital expenditure plan and internal development plan, management have created a comprehensive framework and a sustainable business. The insurance cover and related values of buildings and its contents are regularly monitored by the Board.

h) Safety

The property in 2021 scored 87% for its external Health and Safety ORMS Audit and received a compliance certificate, which is completed annually. There is a strong Health and Safety Committee in place and all incidents are investigated and preventative measures actioned.

i) Labour

The company's employment relationships', working conditions and its contribution towards the educational development of its employees is monitored through our workplace skills plan and equity committee. Wage negotiations take place with SACCAWU every year when terms and conditions are negotiated and agreed. The policy of working a 5 day week has become a standard in July 2021. After our annual wage negotiations were held in June with SACCAWU and staff agreed to an annual increase of 4% in July 2021 and an additional 2% increase in January 2022.

**Statutory duties**

- 1) To monitor the company's activities with regard to matters relating to:
  - a) Social & economic development, including the company's standing in terms of:
    - i) The 10 principles of the United Nations Global Compact.
    - ii) The OECD recommendations regarding corruption.
    - iii) The Employment Equity Act.
    - iv) The Broad Based Black Economic Empowerment Act.
  - b) Promotion of equality, prevention of unfair discrimination and reduction of corruption.
  - c) Contribution to the development of the communities in which it operates.
  - d) Recording of sponsorship, donations and charitable giving.
  - e) The environment, health and public safety including the impact of the company's activities.
  - f) Consumer relationships including the company's advertising, public relations and compliance with consumer protection laws.
  - g) Labour and employment including:
    - i) The company's standing in terms of the International Labour Organizations Protocol on decent work and working conditions.
    - ii) The company's employment relationship and its contribution toward the educational development of its employees.
- 2) To draw matters within its mandate to the attention of the board as the occasion requires.
- 3) To report, through one of its members, to the shareholders at the company's annual general meeting, on the matters within its mandate.

The Committee is pleased to report that for all the above The Peninsula is compliant. It is externally and internally audited and has very acceptable scores for both Health and Safety and Food Hygiene. Its Work Place Skills Plan is completed and Workmen's Compensation, UIF and SARS are paid on time.



Chairman – C D Godenir

**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2021**

		2021	2020
	Notes	R	R
<b>ASSETS</b>			
CURRENT ASSETS		<b>23 037 552</b>	21 516 953
Inventory	4	141 022	133 430
Loans and receivables	5	313 339	-
Share block holders for outstanding levies		3 788 036	3 461 133
Other receivables	6	236 355	119 428
Investments	7	9 156 236	-
Bank balance and cash	8	9 402 564	17 802 962
TOTAL ASSETS		<b><u>23 037 552</u></b>	<b><u>21 516 953</u></b>
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES		<b>12 027 447</b>	8 927 953
Share capital	9	401	401
Reserve for expenditure on fixed assets	11	12 027 046	8 927 552
CURRENT LIABILITIES		<b>11 010 105</b>	12 589 000
Accounts payable	12	2 452 413	2 074 446
Loans and payables	13	-	481 773
Prepaid levies		8 362 781	9 854 253
Taxation		194 911	178 528
TOTAL EQUITY AND LIABILITIES		<b><u>23 037 552</u></b>	<b><u>21 516 953</u></b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	R	R
<b>REVENUE</b>	15	<b>40 824 388</b>	31 025 465
Operating expenses		<b>(31 452 095)</b>	(22 967 308)
<b>Operating profit</b>	16	<b>9 372 293</b>	8 058 157
Investment revenue		<b>966 412</b>	676 254
<b>Profit before taxation</b>		<b>10 338 705</b>	8 734 411
Taxation	17	<b>(193 732)</b>	(177 349)
<b>Total comprehensive income</b>		<b>10 144 973</b>	8 557 062

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share Capital R	Reserve for Expenditure on Assets R	Accumulated profits R	Total R
<b>Balance at 31 December 2019</b>	<b>401</b>	<b>7 246 426</b>	-	<b>7 246 827</b>
Total comprehensive income for the year	-	-	8 557 062	8 557 062
Transfer to reserve	-	8 557 062	(8 557 062)	-
Expenditure against reserve	-	(6 875 936)	-	(6 875 936)
<b>Balance at 31 December 2020</b>	<b>401</b>	<b>8 927 552</b>	-	<b>8 927 953</b>
Total comprehensive income for the year	-	-	10 144 973	10 144 973
Transfer to reserve	-	10 144 973	(10 144 973)	-
Expenditure against reserve	-	(7 045 479)	-	(7 045 479)
<b>Balance at 31 December 2021</b>	<b>401</b>	<b>12 027 046</b>	-	<b>12 027 447</b>
Notes	9	11		

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# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	R	R
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	2	6 723 031	5 158 311
Interest received		727 872	676 254
Taxation paid	4	(177 349)	(267 627)
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>		<u>7 273 554</u>	<u>5 566 938</u>
<b>CASH UTILISED FROM RESERVE FOR EXPENDITURE ON FIXED ASSETS</b>			
		(7 045 479)	(6 875 936)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Unit trusts acquired		<u>(9 000 000)</u>	-
		<u>(9 000 000)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from intercompany loans		1 154 640	4 588 493
Repayment on intercompany loans		(783 113)	(494 988)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>371 527</u>	<u>4 093 505</u>
<b>TOTAL CASH MOVEMENT FOR THE YEAR</b>		<b>(8 400 398)</b>	<b>2 784 507</b>
<b>CASH AT BEGINNING OF YEAR</b>		<u>17 802 962</u>	<u>15 018 455</u>
<b>CASH AT THE END OF THE YEAR</b>		<u>9 402 564</u>	<u>17 802 962</u>

**1. ACCOUNTING POLICIES****Presentation of Annual Financial Statements**

The financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 71 of 2008. The annual financial statements are prepared under the historical cost basis except where otherwise indicated below. These accounting policies are consistent with the previous period.

**1.1 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

**Financial assets measured at cost and amortised cost**

The company assesses its financial assets measured at cost and amortised cost for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

**Allowance for slow moving, damaged and obsolete inventory**

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

**Taxation**

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate taxation determination is uncertain which the company recognises during the ordinary course of business. The liabilities for anticipated taxation audit final taxation outcome issues are based on estimates of whether additional taxes will be due. Where the final taxation outcome of the income taxation and these matters is different from the amounts that were initially recorded, such differences will impact the income taxation and deferred taxation provisions in the period in which such determination is made.

The company recognises the net future taxation benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

**Estimation of expected credit loss allowance**

In recognising and measuring the expected credit loss allowance (ECL), management is required to make certain judgements and estimates as follows:

**Trade and other receivables**

The company has applied the simplified approach to measuring the impairment allowance for trade and other receivables, which uses a lifetime expected loss allowance.

Historical loss rate/ historical credit quality forward looking factors:

The Company's historical credit loss rate has been low.

The historical loss rates have been used for the previous few years of assessment and these are the most relevant and timely information.

The following reasonable and supportable information has been taken into account, as part of the forward looking factors, namely:

- The Company's long standing trade history and trade relationships with its customer base.
- Forward-looking information such as the likelihood of default and economic conditions of the industry.
- Macro-economic factors affecting customers' ability to settle amounts owing, including the following:
  - a) Foreign currency exchange rates
  - b) Increases in customer local inflation and interest rates as this would erode a customers' purchasing power
  - c) General customer confidence in regards to their own financial situations

**1.2 Revenue Recognition**

The company recognises revenue from the following major sources:

- Levy income from class A shareholders
- Class B levy income

The entity's accounting policy in line with IFRS 15 is:

Revenue represents income arising in the course of ordinary activities, being those activities as highlighted above.

Revenue is recognised over a period of time as the performance obligations are fulfilled with the customer.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value added tax.

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

**1.3 Provisions**

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

**1.4 Current taxation**

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

**1.5 Levies received**

Share Block owners are obliged, by way of agreement, to contribute levies to enable the company to defray its expenditure.

**1.6 Financial Instruments**

Financial instruments are initially recognised at fair value.

**Financial instruments at amortised cost**

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, cash and cash equivalents, loans and trade and other payables. At the end of each reporting period, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments carried on the balance sheet include cash and bank balances, prepaid expenses, other debtors, share block holders for outstanding levies, creditor and prepaid levies. These items are carried as follows:

**Prepaid expenses and other debtors:**

Prepaid expenses and other debtors are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**Share block holders for outstanding levies:**

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**Creditors and prepaid levies:**

Creditors and prepaid levies are stated at nominal value.

**1.6.1 IFRS 9 Financial instruments**

IFRS 9 financial instruments (replacing IAS 39 financial instruments: Recognition and Measurement) is applicable to the company for the 2019 financial reporting period, with the first application in the financial statements.

The completed standard comprises guidance on the classification and measurement of financial assets and liabilities, and the introduction of the expected credit loss model (ECL) with respect to the measurement of impairment allowances for financial assets.

**Effect of transition:**

The company transitioned to IFRS 9 retrospectively, with any cumulative material impact being recognised in opening retained income as a result of the initial application of IFRS 9. Comparative information has therefore not been restated.

**Classification**

IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. There was no material impact on classification of financial assets nor financial liabilities.

**Impairment**

The new standard introduces a single "expected credit loss" impairment model for the measurement of financial assets. The company has assessed the impact of IFRS 9 including the application of the expected credit loss (ECL) model for the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach) as well as loans to group companies.

**Trade receivables**

In terms of IAS 39, trade and other receivables were impaired when there was objective evidence of default. IFRS 9 dictates that the impairment is based on the lifetime expected credit losses on trade and other receivables. The company has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables including the economic environment.

**Loans receivable**

The company has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

- Stage 1: Credit risk has not increased significantly since initial recognition - 12 month ECL.
- Stage 2: Credit risk has increased significantly since initial recognition. Lifetime ECL and effective interest on gross amount.
- Stage 3: Credit risk has increased significantly since initial recognition. Lifetime ECL and effective interest on net amount.

**1.6.1 IFRS 9 Financial instruments (continued)**

At each reporting date, the company assesses whether financial assets classified as amortised cost are credit impaired. Loans receivable are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows. The company's definition of credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

As at the reporting date, credit risk has not increased significantly since initial recognition (Stage 1) and therefore a 12 month ECL has been determined, which is not material.

Based on our assessment, the application of IFRS 9 had no material impact on the reported earnings or financial position for the period under review.

**1.7 Inventory**

Inventory consists of stationery, guest and cleaning supplies listed as other consumables.

A reserve for expenditure on inventory is provided for. This reserve is intended to provide for the acquisition and replacement of inventory.

**2. Standards and interpretations****2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• IFRS 17 Insurance Contracts	01 January 2021	The impact of the standard is not material.
• Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	01 January 2021	The impact of the standard is not material.

**2.2 Standards and interpretations effective and adopted in the prior year**

In the prior year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• Presentation of Financial Statements: Disclosure initiatives	01 January 2021	The impact of the standard is not material.
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2021	The impact of the standard is not material.

**2.3 Standards and interpretations not yet effective**

The following standards and interpretations are not yet effective for the current financial year and the entity has elected not to early adopt these:

• Amendments to IFRS 3: Reference to the Conceptual Framework	01 April 2021	The impact of the standard on the entity is not expected to be material.
• Amendments to IAS 16: Proceeds before Intended Use	01 January 2022	The impact of the standard on the entity is not expected to be material.
• Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract	01 January 2022	The impact of the standard on the entity is not expected to be material.
• IFRS 17 Insurance Contracts; incl. Amendments to IFRS 17 (issued on 25 J01	01 January 2023	The impact of the standard on the entity is not expected to be material.
• Initial Application of IFRS 17 and IFRS 9 - Comparative Information	01 January 2023	The impact of the standard on the entity is not expected to be material.
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current	01 January 2023	incl. Amendment to IAS 1: Classification of Liabilities as Current or Non-current—Deferral of Effective Date The impact of the standard on the entity is not expected to be material.
• Amendments to IAS 1 and IAS 8 - Disclosure of Accounting Policies and De	01 January 2023	of Accounting Estimates The impact of the standard on the entity is not expected to be material.
• Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Aris	01 January 2023	from a Single Transaction The impact of the standard on the entity is not expected to be material.



3. **SHARE BLOCK HOLDERS LOANS & SHAREHOLDERS' LOANS**

Amounts previously recognised viz property, plant and equipment (R113,017,785) including revaluation reserve (R93,732,944) were derecognised in accordance with the guide in financial reporting by share block companies. The net difference (R19,284,841) was set off against amount due by shareholders (R18,000,000) and replacement reserve (R1,284,841). The title deed is still registered under the company with the municipal valuation of R174 million.

The Company has adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, the size of which is 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year.

4. **INVENTORY**

Inventory comprises:

	2021 R	2020 R
Stationery	79 943	75 512
Cleaning materials	17 926	12 810
Guest supplies	43 153	45 108
	<u>141 022</u>	<u>133 430</u>

5. **LOANS AND RECEIVABLES**

Peninsula Management (Proprietary) Limited

313 339	-
<u>313 339</u>	<u>-</u>

The above loan is unsecured and interest free. Terms of repayment: 30 days.

The fair values of these loans and receivables approximate their carrying amounts.

The loan has not been impaired in the past and there is no provision for impairment considered necessary.

6. **TRADE AND OTHER RECEIVABLES**

**Financial instruments**

Share block holders for outstanding levies	3 788 036	3 461 133
Sundry debtors	78 535	8 000
Staff loans	2 324	3 631

**Non - financial instruments**

Prepayments	155 496	107 797
	<u>4 024 391</u>	<u>3 580 561</u>

**Exposure to credit risk**

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The risk of default is also mitigated by the fact management are able to sell the timeshare weeks to defray the cost of the outstanding debt.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories.

Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2021

CONTINUED

## 6. TRADE AND OTHER RECEIVABLES (continued)

**Expected credit loss**

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The balance of trade receivables have been assessed on a collective basis as the items possess shared credit risk characteristics.

	2021	2021	2020	2020
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	R	R	R	R
Expected credit loss rate:				
0 - 60 days past due: 0% (2019: 0%)	3 788 036	-	3 461 133	-
61 - 90 days past due: 0% (2019: 0%)	-	-	-	-
More than 90 days past due: 0% (2019: 0%)	-	-	-	-
	<b>3 788 036</b>	<b>-</b>	<b>3 461 133</b>	<b>-</b>

Management has assessed the outstanding debtors and does not deem it necessary to raise an allowance for expected credit losses as the end of the financial year.

## 7. INVESTMENTS

Investment comprises:

Unit trusts

	2021	2020
	R	R
32437.31 units in Allan Gray Coronation Strategic Income Fund (Class P)	500 102	-
246533.71 units in Allan Gray Mi-Plan Enhanced Income Fund (Class A1)	2 574 231	-
2695892.19 units in Boutique Collective Investments Income Plus Fund A	3 043 123	-
2971330.63 units in Boutique Collective Investments Sasfin Flexible Income Fund A	3 038 780	-
	<b>9 156 236</b>	<b>-</b>

## 8. BANK AND CASH

Bank and cash consists of:

	2021	2020
	R	R
Cash at bank	9 402 564	17 802 962
	<b>9 402 564</b>	<b>17 802 962</b>

The credit quality of cash at banks and short term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed with reference to external credit ratings or historic information about counterparty default rates:

**Credit ratings**

Standard Bank Limited (Ba1)	8 436 649	16 870 495
Investec Bank Limited (Ba1)	965 915	932 467
	<b>9 402 564</b>	<b>17 802 962</b>

## 9. SHARE CAPITAL

Authorised and issued

40 040 "A" class ordinary shares of 1c each, divided into 40 040 share blocks of 1 share each	400	400
16 "B" class ordinary shares of 5c each, comprising 1 block of 16 shares	1	1
	<b>401</b>	<b>401</b>

## 10. RETAINED INCOME

**Balance at 31 December 2019**

Total comprehensive income for the year	8 557 062
Transfer to reserve	(8 557 062)

**Balance at 31 December 2020**

Total comprehensive income for the year	10 144 973
Transfer to reserve	(10 144 973)

**Balance at 31 December 2021**

	<b>-</b>
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NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2021

CONTINUED

	2021 R	2020 R
<b>11. RESERVE FOR EXPENDITURE ON FIXED ASSETS</b>		
Balance at beginning of year	8 927 552	7 246 426
Transfer of levy fund surplus for the year	10 144 973	8 557 062
Expenditure during the year	(7 045 479)	(6 875 936)
	<u>12 027 046</u>	<u>8 927 552</u>

The reserve for expenditure on fixed assets provides for the purchase, replacement, refurbishment and maintenance of the company's property.

<b>12. ACCOUNTS PAYABLE</b>		
Accounts payable comprises:		
Trade creditors	523 157	419 555
Vat payable	378 781	361 038
Other payables	1 550 475	1 293 853
TOTAL	<u>2 452 413</u>	<u>2 074 446</u>

**Fair Value**

The fair value of trade and other payables approximates its carrying amount.

<b>13. LOANS AND PAYABLES</b>		
Peninsula Management (Proprietary) Limited	-	481 773
	<u>-</u>	<u>481 773</u>

The above loan is unsecured and interest free. Terms of repayment: 30 days.  
The fair values of these loans and receivables approximate their carrying amounts.

<b>14. PROVISIONS</b>				
<b>2021</b>	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	1 015 564	(1 015 564)	-
	<u>-</u>	<u>1 015 564</u>	<u>(1 015 564)</u>	<u>-</u>
<b>2020</b>	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	820 088	(820 088)	-
	<u>-</u>	<u>820 088</u>	<u>(820 088)</u>	<u>-</u>

<b>15. REVENUE</b>	2021 R	2020 R
Revenue from contracts with customers		
Levy income	40 824 388	31 025 465

**Disaggregation of revenue from contracts with customers**

The company disaggregates revenue from customers as follows:

Provision of levy generating services

Class A Levies	39 078 499	25 331 399
Class B levies	1 745 889	5 694 066
	<u>40 824 388</u>	<u>31 025 465</u>

**Timing of revenue recognition**Over time recognition

Class A Levies	39 078 499	25 331 399
Class B levies	1 745 889	5 694 066
	<u>40 824 388</u>	<u>31 025 465</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

CONTINUED

16.	<b>PROFIT FROM OPERATIONS</b> Profit from operations is stated after:	<b>2021</b> R	2020 R
	Interest received	966 412	676 254
	Rental charges	211 761	195 228
	Employee costs	<b>17 030 667</b>	11 751 868
17.	<b>TAXATION</b> Except for taxation on interest income, the company is not liable for taxation on the surplus arising in the levy operating statement. Exemption from tax is claimed in terms of Section 10(1)(e) of the Income Tax Act. In determining the tax on interest income, interest earned on arrear levies is excluded and an appropriate portion of administration expenditure is claimed against interest received.		
	Current year	<u>193 732</u>	<u>177 349</u>
	<b>Reconciliation of rate of taxation:</b>		
	South African normal taxation rate	28%	28%
	Adjusted for:		
	Disallowable expenditure	0%	0%
	Exempt income	<u>-26%</u>	<u>-26%</u>
	Effective rate:	<u>2%</u>	<u>2%</u>
18.	<b>RELATED PARTIES</b>		
	<b>Relationship</b>		
	Shareholder - Class B shares    Peninsula Management (Proprietary) Limited		
	<b>Related party balances</b>		
	<b>Amount owed by related parties</b>		
	Peninsula Management (Proprietary) Limited	313 339	-
	<b>Amount owed to related parties</b>		
	Peninsula Management (Proprietary) Limited	-	481 773
	<b>Related party transactions</b>		
	<b>Management fees paid to related parties</b>		
	Peninsula Management (Proprietary) Limited	1 285 612	1 246 956
	<b>Levies received from related parties</b>		
	Peninsula Management (Proprietary) Limited    "B" Class levies	1 745 889	5 694 066
	Peninsula Management (Proprietary) Limited    "A" Class levies	621 954	1 081 355

The Peninsula Management (Proprietary) Limited, a subsidiary within the Dream Hotels & Resorts group of companies, manages the company's timesharing scheme and related hotel operations, for which it receives an agreed fee. As a "B" Class shareholder, it pays levies to the company out of its trading income. As an "A" Class Shareholder, it pays levies according to the weekly levy set out in the Directors' Report.

## 19. FINANCIAL INSTRUMENTS

The company's operations expose it to a number of financial risks. A risk management programme has been established to protect the company against the potential adverse effects of these financial risks.

## 19.1 Sensitivity analysis

The group exposures to various financial risks are set out below:

2021

2020

Class of financial instrument: Carrying value	Interest rate risk	Interest rate risk
<i>Working capital balances</i>		
Other financial liability	-	-
Bank and cash	9 402 564	17 802 962
Net exposure	9 402 564	17 802 962

Class of financial instrument: Sensitivity to changes in underlying financial variables: Possible changes	Interest rate risk 1%	Interest rate risk 1%
<i>Working capital balances</i>		
Trade and loans receivable	-	-
Bank and cash	94 026	178 030
Net exposure	94 026	178 030

## 19.2 Financial risk management

## 19.2.1 Interest rate risk

Surplus cash flows exposed to interest rate risk are placed with recognised institutions and facilities which yield an acceptable rate of return.

## 19.3 Financial liabilities

## 19.3.1 Maturity analysis

## 31 DECEMBER 2021

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	2 452 413	-	2 452 413
Financial liability	-	-	-
Net exposure	2 452 413	-	2 452 413

## 31 DECEMBER 2020

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	2 074 446	-	2 074 446
Financial liability	-	-	-
Net exposure	2 074 446	-	2 074 446

## 19.3.2 Liquidity risk management

The company maintains sufficient cash and ensures that funds remain available through an adequate amount of credit facilities. The company manages its liquidity requirements by monitoring forecast cash flows.

## 19.3.3 Capital management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern.

During 2021, the company's strategy, which was unchanged from 2020, was to maintain a debt free structure and maintain enough capital to ensure the availability of working capital.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

CONTINUED

## 20. FINANCIAL INSTRUMENT DISCLOSURE

31 DECEMBER 2021		Notes	Loans and receivables R	Available for sale R	Financial liabilities at amortised cost R	Non financial instruments R	Total R
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Inventories	4		4 182 234	18 558 800	-	296 518	23 037 552
Loan receivable	5		-	-	-	141 022	141 022
Share block holders for outstanding levies	6		313 339	-	-	-	313 339
Other receivables	6		3 788 036	-	-	-	3 788 036
Investments	7		80 859	-	-	155 496	236 355
Bank balance and cash	8		-	9 156 236	-	-	9 156 236
			-	9 402 564	-	-	9 402 564
<b>TOTAL ASSETS</b>			<b>4 182 234</b>	<b>18 558 800</b>	<b>-</b>	<b>296 518</b>	<b>23 037 552</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	12		-	-	(2 073 632)	(8 936 473)	(11 010 105)
Loans payable	13		-	-	(2 073 632)	(378 781)	(2 452 413)
Prepaid levies			-	-	-	(8 362 781)	(8 362 781)
Taxation			-	-	-	(194 911)	(194 911)
<b>TOTAL LIABILITIES</b>			<b>-</b>	<b>-</b>	<b>(2 073 632)</b>	<b>(8 936 473)</b>	<b>(11 010 105)</b>
<b>CAPITAL AND RESERVES</b>							<b>12 027 447</b>
<b>31 DECEMBER 2020</b>							
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Inventories	4		3 472 764	17 802 962	-	241 227	21 516 953
Share block holders for outstanding levies			-	-	-	133 430	133 430
Other receivables	6		3 461 133	-	-	-	3 461 133
Bank balance and cash	8		11 631	-	-	107 797	119 428
			-	17 802 962	-	-	17 802 962
<b>TOTAL ASSETS</b>			<b>3 472 764</b>	<b>17 802 962</b>	<b>-</b>	<b>241 227</b>	<b>21 516 953</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	12		-	-	(2 195 181)	(10 393 819)	(12 589 000)
Loans payable	13		-	-	(1 713 408)	(361 038)	(2 074 446)
Prepaid levies			-	-	(481 773)	-	(481 773)
Taxation			-	-	-	(9 854 253)	(9 854 253)
			-	-	-	(178 528)	(178 528)
<b>TOTAL LIABILITIES</b>			<b>-</b>	<b>-</b>	<b>(2 195 181)</b>	<b>(10 393 819)</b>	<b>(12 589 000)</b>
<b>CAPITAL AND RESERVES</b>							<b>8 927 953</b>

**21. COVID-19 - GOING CONCERN**

The country entered 2021 on Covid-19 restrictions with curfew set at 9H00 pm, closure of beaches and ban on alcohol sales. This did put strain on accommodation and food and beverage operations, which affected the rental pool dividends to owners and "B" class levy revenue negatively. International travel re-opened in 2021, but with restrictions attached. International owners still did not feel safe to travel and either spacebanked, flexied or placed their weeks into the rental pool. As vaccines became available in February 2021, so the restrictions were eased. Throughout 2021, the company remained focused on finding ways to attract the local tourists to the hotel, while managing costs to an acceptable level. Since moving to adjusted level 1 in December 2021 and coming off the UK red list, international timeshare and hotel bookings started coming in. It is management's belief that regulations will ease further during 2022, allowing the company to start moving to pre-2020 economic conditions.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the actions planned, will allow the company to remain viable and meet its obligations as they fall due in the ordinary course of business. For the basis of preparation of the consolidation, the Directors have considered the following:

- Budgeted forecasts with cost cutting measures resulting in curtailed losses that should reduce cash outflows sufficient to weather the current crisis.

Cost cutting measures include:

- Permanent staff will be used in some areas of the winter maintenance program, thus cutting down on external artisans employed
- Permanent staff will be utilised as external cleaning, decontamination, maintenance and laundry service
- Other miscellaneous cost reductions

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED  
31 DECEMBER 2021

	2021 R	2020 R
1. The following convention applies to figures other than adjustments		
- Outflows of cash are represented by figures in brackets		
- Inflows of cash are represented by figures without brackets		
2. <b>CASH GENERATED BY SHARE BLOCK OPERATIONS</b>		
Profit / (Loss) before taxation	10 338 705	8 734 411
Adjusted for:		
Changes in fair value	82 304	-
Interest income	(966 412)	(676 254)
Non-cash income statement items	(966 535)	(3 054 345)
	8 488 062	5 003 812
3. <b>CHANGES IN WORKING CAPITAL</b>		
Decrease (increase) in inventories	(7 592)	49 460
Decrease (increase) in trade and other receivables	(443 830)	(1 105 900)
Increase (decrease) in trade and other payables	(1 313 609)	1 210 939
	6 723 031	5 158 311
4. <b>TAXATION PAID</b>		
Taxation receivable (payable) at beginning of year	(178 528)	(268 806)
Per levy operating statement	(193 732)	(177 349)
Taxation payable (receivable) at end of year	194 911	178 528
	(177 349)	(267 627)



The

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

## LEVY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2021 R	2020 R
<b>INCOME</b>		
Levies		
- A class shareholders	39 078 499	25 331 399
- B class shareholders	1 745 889	5 694 066
Interest received	966 412	676 254
	<b>41 790 800</b>	<b>31 701 719</b>
<b>EXPENDITURE</b>		
<b>ADMINISTRATION</b>	<b>1 923 178</b>	<b>1 568 146</b>
Auditors' remuneration	75 163	81 290
Payroll administration	72 000	
Bank charges	42 944	45 115
Insurance	692 184	665 667
Legal & consulting fees	10 000	4 500
Levy collection fee	12 115	521
Credit card commissions	166 866	137 999
License fees	345 710	269 844
Postage and stationery	157 043	113 556
Printing	150 717	111 654
BEE / CIPC / Hotel grading / H & S audit	28 363	21 261
CSOS levies	52 800	52 800
Subscriptions	66 698	25 169
Donations	11 363	3 600
Television licenses	39 212	35 170
<b>PROPERTY</b>	<b>5 714 085</b>	<b>4 388 534</b>
Electricity	2 398 165	1 593 182
Rates	2 053 572	2 006 657
Sewerage	502 610	316 168
Refuse	108 636	67 185
Water	651 102	405 342
<b>MAINTENANCE</b>	<b>1 260 586</b>	<b>907 754</b>
Building	279 051	224 455
Computer	140 136	97 876
Electrical and mechanical	88 776	66 869
Elevators	189 148	183 798
Fire Extinguishers & alarm systems	-	3 183
Grounds and gardens	121 851	30 665
Indoor plants	100 511	48 478
Laundry equipment	53 523	58 647
Light bulbs	2 857	-
Miscellaneous and office equipment	983	-
Motor vehicles	30 309	21 836
Painting materials	61 897	10 132
Pest control	66 442	63 702
Pool	26 556	20 311
Telephone and PABX	68 916	68 916
Television	29 630	8 886
Balance carried forward	<b>8 897 849</b>	<b>6 864 434</b>

## LEVY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2021 R	2020 R
Balance brought forward	8 897 849	6 864 434
<b>SUNDRY &amp; OPERATIONAL</b>	<b>3 943 902</b>	<b>2 908 822</b>
Cartage and transport	10 938	6 845
Flowers	76 750	30 918
Guest entertainment	451 912	281 944
Guest supplies	725 029	472 827
Laundry/cleaning supplies	340 027	227 417
DSTV	423 850	211 781
Wireless services	155 776	135 776
Petrol and travelling	164 305	163 825
Replacement of operating equipment	219 046	128 741
Security	1 376 269	1 248 748
<b>RENTAL CHARGES</b>	<b>211 761</b>	<b>195 228</b>
Photostat rental	159 776	139 485
Vehicle rental	51 985	55 743
<b>SALARIES AND WAGES</b>	<b>17 030 667</b>	<b>11 751 868</b>
Administration	4 639 594	3 571 207
Casual wages	348 613	233 519
Sunday pay	431 027	245 339
Front office	5 803 379	3 816 171
Housekeeping & Laundry	4 315 390	2 848 548
Repairs and maintenance	1 492 664	1 037 084
<b>MANAGEMENT FEES</b>	<b>1 285 612</b>	<b>1 246 956</b>
<b>CAPITAL (PROFIT) / LOSS ON INVESTMENT</b>	<b>82 304</b>	
<b>TOTAL EXPENDITURE</b>	<b>31 452 095</b>	<b>22 967 308</b>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>	<b>10 338 705</b>	<b>8 734 411</b>
<b>TAXATION ON INVESTMENT INCOME (note 17)</b>	<b>(193 732)</b>	<b>(177 349)</b>
<b>GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS</b>	<b>10 144 973</b>	<b>8 557 062</b>

**LEVY OPERATING STATEMENT & BUDGET  
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2022**

	Budget 2021 R	Actual 2021 R	Budget 2022 R
<b>INCOME</b>			
Levies			
- A class shareholders	38 243 025	39 078 499	39 389 784
- B class shareholders	1 497 743	1 745 889	1 365 591
Interest received	666 667	966 412	1 206 667
	40 407 435	41 790 800	41 962 042
<b>EXPENDITURE</b>			
<b>ADMINISTRATION</b>	2 020 074	1 923 178	2 151 388
Auditor's remuneration	78 732	75 163	87 210
Payroll administration	72 000	72 000	75 540
Bank charges	50 400	42 944	52 800
Insurance	703 719	692 184	733 181
Legal & consulting fees	60 000	10 000	60 000
Levy collection fee	18 000	12 115	30 000
Credit card commissions	180 600	166 866	180 600
License fees	358 800	345 710	373 188
Postage and stationery	177 600	157 043	177 600
Printing	168 000	150 717	168 000
BEE / CIPRO / Hotel grading / H & S audit	30 000	28 363	31 800
CSOS levies	52 800	52 800	52 800
Subscriptions	18 711	66 698	77 957
Donations	12 000	11 363	12 000
Television licenses	38 712	39 212	38 712
<b>PROPERTY</b>	5 696 610	5 714 085	6 158 664
Electricity	2 339 710	2 398 165	2 742 907
Rates	2 090 515	2 053 572	2 161 911
Sewerage	526 279	502 610	498 115
Refuse	98 649	108 636	107 650
Water	641 457	651 102	648 081
<b>MAINTENANCE</b>	1 324 564	1 260 586	1 368 389
Building	283 000	279 051	299 000
Computer	141 600	140 136	148 320
Electrical and mechanical	80 400	88 776	92 400
Elevators	183 885	189 148	194 857
Fire extinguishers & alarm systems	9 600	-	9 600
Grounds and gardens	135 000	121 851	132 000
Indoor plants	108 000	100 511	105 868
Laundry equipment	69 600	53 523	69 600
Light bulbs	6 000	2 857	6 000
Miscellaneous and office equipment	2 400	983	2 400
Motor Vehicles	30 000	30 309	30 000
Painting materials	88 000	61 897	88 000
Pest control	66 432	66 442	69 168
Pool	24 000	26 556	24 000
Telephone and PABX	68 916	68 916	68 916
Television	27 731	29 630	28 260
Balance carried forward	9 041 248	8 897 849	9 678 441

**LEVY OPERATING STATEMENT & BUDGET  
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2022**

	Budget 2021 R	Actual 2021 R	Budget 2022 R
Balance brought forward	9 041 248	8 897 849	9 678 441
<b>SUNDRY &amp; OPERATIONAL</b>	<b>4 507 932</b>	<b>3 943 902</b>	<b>4 752 886</b>
Cartage and transport	8 160	10 938	11 880
Flowers	73 617	76 750	76 840
Guest entertainment	709 859	451 912	749 200
Guest supplies	811 800	725 029	846 000
Laundry/cleaning supplies	309 000	340 027	354 000
DSTV	442 377	423 850	462 237
Wireless services	240 000	155 776	240 000
Petrol and travelling	297 703	164 305	290 500
Replacement of operating equipment	214 320	219 046	210 000
Security	1 401 096	1 376 269	1 512 229
<b>RENTAL CHARGES</b>	<b>238 270</b>	<b>211 761</b>	<b>256 288</b>
Photostat rental	164 300	159 776	176 788
Vehicle rental	73 970	51 985	79 500
<b>SALARIES AND WAGES</b>	<b>18 369 347</b>	<b>17 030 667</b>	<b>19 354 426</b>
Administration	4 773 028	4 639 594	5 029 974
Casual wages	401 006	348 613	367 324
Sunday & public holiday pay	552 458	431 027	576 011
Front office	6 220 125	5 803 379	6 722 980
Housekeeping & Laundry	4 749 889	4 315 390	4 856 333
Repairs and maintenance	1 672 841	1 492 664	1 801 804
<b>MANAGEMENT FEES</b>	<b>1 285 608</b>	<b>1 285 612</b>	<b>1 348 608</b>
<b>CAPITAL (PROFIT) / LOSS ON INVESTMENT</b>	<b>-</b>	<b>82 304</b>	<b>-</b>
<b>CONTINGENCY</b>	<b>20 000</b>	<b>-</b>	<b>20 000</b>
<b>TOTAL EXPENDITURE</b>	<b>33 462 405</b>	<b>31 452 095</b>	<b>35 410 649</b>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>	<b>6 945 030</b>	<b>10 338 705</b>	<b>6 551 393</b>
<b>TAXATION FOR THE YEAR</b>	<b>(186 667)</b>	<b>(193 732)</b>	<b>(337 867)</b>
<b>GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS</b>	<b>6 758 363</b>	<b>10 144 973</b>	<b>6 213 526</b>

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

## LEVY EXPENSE SUMMARY

Expense Category	Budget 2021		Actual 2021		Budget 2022	
	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %
Administration	50.45	5	<b>48.03</b>	<b>5</b>	53.73	5
Property	142.27	14	<b>142.71</b>	<b>14</b>	153.81	15
Maintenance	33.08	3	<b>31.48</b>	<b>3</b>	34.18	3
Sundry & operational	112.59	11	<b>98.50</b>	<b>9</b>	118.70	11
Rental	5.95	1	<b>5.29</b>	<b>1</b>	6.40	1
Salaries & wages	458.77	47	<b>425.34</b>	<b>41</b>	483.38	47
Management fees	32.11	3	<b>32.11</b>	<b>3</b>	33.68	3
Contingency	0.50	0	<b>0.00</b>	<b>0</b>	0.50	0
Total expenditure	835.72	83	<b>783.46</b>	<b>75</b>	884.38	84
Surplus transferred to reserve for expenditure on fixed assets	173.45	17	<b>258.21</b>	<b>25</b>	163.62	16
<b>TOTAL</b>	<b>1009.18</b>	<b>100</b>	<b>1041.67</b>	<b>100</b>	<b>1048.00</b>	<b>100</b>

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07  
("the company")

310 Main Road  
Bryanston 2021  
P.O.Box 786027  
Sandton 2146  
Tel: 0112678300 / 0214307777  
Fax: 0117061044 / 0864719721

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## Notice to "A" Members

Notice is hereby given that the thirty third annual general meeting of the "A" class shareholders of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 9th June 2022 at 11h30, to deal with such business as may lawfully be dealt with at the meeting in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

## Record Dates

In terms of sections 59(1)(a) and (b) of the Companies Act, the Board of the Company has set the record dates for the purposes of determining which shareholders are entitled to receive notice, participate in, vote:

- Record date to receive the notice of the AGM Monday, 16 May 2022
- Record date to be eligible to participate in and vote at the AGM Friday, 3 June 2022
- Last date for lodging proxy forms 11:30 Tuesday, 7 June 2022

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

## Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to [account@peninsula.co.za](mailto:account@peninsula.co.za), by no later than 12h00 on Monday, 6 June 2022 that they wish to participate via electronic communication at the AGM ("**the electronic notice**"). In order for the electronic notice to be valid it must contain:

- If the shareholder is an individual, a certified copy of their identity document or passport;
- If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- A valid e-mail address and/or facsimile number (the contact address/number), telephone and/or cell phone number.

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before close of business on Tuesday, 7 June 2022, to notify the shareholder who has delivered a valid

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07  
("the company")

310 Main Road  
Bryanston 2021  
P.O.Box 786027  
Sandton 2146  
Tel: 0112678300 / 0214307777  
Fax: 0117061044 / 0864719721

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electronic notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

## Agenda

1. To consider the report of the directors, audit committee and external auditors insofar as they relate to the levy fund for the period ended 31 December 2021. (Please note: The Annual Report, which includes the report of the directors, audit committee and external auditors, as well as the levy fund, can be found on [www.peninsula.co.za](http://www.peninsula.co.za).)
2. To determine the amount and manner of insurance of the improvements on the unit property.
3. General – Items for discussion only.

Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on 6 June 2022. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

Any shareholder entitled to attend and vote is entitled to appoint a proxy to attend, vote, and speak in his stead and such proxy need not also be a shareholder of the Company. Proxy forms should be forwarded to reach the offices of the Company by no later than 48 hours before the time appointed for the holding of the meeting.

**Please note: The Annual Report can be found on [www.peninsula.co.za](http://www.peninsula.co.za).**

By order of the board



Leisure Options (Pty) Ltd  
Secretaries

8 April 2022

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07  
("the Company")

310 Main Road  
Bryanston 2021  
P.O.Box 786027  
Sandton 2146  
Tel: 0112678300 / 0214307777  
Fax: 0117061044 / 0864719721

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## Notice to all "A" and "B" class shareholders

Notice is hereby given that the thirty third annual general meeting of the "A" and "B" class shareholders (being all the shareholders) of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 9th May 2022 at 12h00 (or immediately after the annual general meeting of the "A" class shareholders scheduled for 11h30, whichever is the later time), to deal with such business as may lawfully be dealt with at the meeting and the ordinary resolutions, set out hereunder, in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

### Record Dates

In terms of sections 59(1)(a) and (b) of the Companies Act, the Board of the Company has set the record dates for the purposes of determining which shareholders are entitled to receive notice, participate in, vote:

- Record date to receive the notice of the AGM Monday, 16 May 2022
- Record date to be eligible to participate in and vote at the AGM Friday, 3 June 2022
- Last date for lodging proxy forms 12:00 Tuesday, 7 June 2022

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

### Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to [account@peninsula.co.za](mailto:account@peninsula.co.za), by no later than 12h00 on Monday, 6 June 2022 that they wish to participate via electronic communication at the AGM ("**the electronic notice**"). In order for the electronic notice to be valid it must contain:

- If the shareholder is an individual, a certified copy of their identity document or passport;
- If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- A valid e-mail address and/or facsimile number (the contact address/number), telephone and/or cell phone number.

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation.



*The*  
**PENINSULA**

**SHARE BLOCK (PROPRIETARY) LIMITED** Reg. No. 1938/011635/07  
("the Company")

310 Main Road  
Bryanston 2021  
P.O.Box 786027  
Sandton 2146  
Tel: 0112678300 / 0214307777  
Fax: 0117061044 / 0864719721

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The Company shall use its reasonable endeavours on or before close of business on Tuesday, 7 June 2022, to notify the shareholder who has delivered a valid electronic notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

## **Agenda**

1. To consider the annual financial statements for the period ended 31 December 2021. (Please note: The Annual Report, which includes the annual financial statements, can be found on [www.peninsula.co.za](http://www.peninsula.co.za).)
2. Ordinary Resolution Number 1  
To appoint BDO Cape Inc. as the auditors of the Company.  
The reason for the resolution is to ensure that the Company continues to enjoy the services of an auditor and the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.
3. Ordinary Resolution Number 2  
To approve the re-appointment as directors of the Company, of Hugh Patrick and Weston Dickson. Pursuant to the Companies Act, the re-appointment of each of the abovenamed directors shall be conducted by a separate show of hands or a separate poll, as applicable.  
The reason for the resolution is that in terms of clause 19 of the Memorandum of Incorporation ("Mol") of the Company, each director elected by the "A" class shareholders shall be entitled to hold office for a period of 3 (three) years, whereafter each such director shall automatically retire from office, but shall be eligible for re-election. The two abovenamed directors have advised the Company of their willingness to be re-elected as directors of the Company. The effect of the resolution, if passed, will be to secure the re-election of experienced directors to the Board of the Company.
4. Ordinary Resolution Number 3  
To approve the re-appointment of the Audit Committee of the Company, consisting of Hugh Patrick (Chairman), Weston Dickson and Nicholas Dickson.  
The reason for the resolution is to ensure that the Company continues to appoint an Audit Committee, pursuant to the Companies Act and continues to enjoy the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.
5. Ordinary Resolution Number 4  
To approve the re-appointment of the Social & Ethics Committee of the Company, consisting of Chris Godenir (Chairman), Hugh Patrick, Vee de Freitas, Brent Johansen and Lwandile Makubalo.  
The reason for the resolution is to ensure that the Company continues to appoint a Social & Ethics Committee, pursuant to the Companies Act. The effect of the resolution, if passed, will be to achieve such continuity.
6. To receive a report back on the progress of the Company in obtaining nominated e-mail addresses from all shareholders, for formal communications from the Company.

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7. Ordinary Resolution Number 5

To approve that any director of the Company be and he is hereby authorised, on behalf of the Company, to do all things and sign all such documents as may be necessary to give effect to the foregoing resolutions.

The reason for the resolution is to ensure that the Company is able validly to give effect to the foregoing resolutions and that the directors of the Company are authorised to do so. The effect of the resolution, if passed, will be to achieve this.

8. General – Items for discussion only.

Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on 6 June 2022. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

Any shareholder entitled to attend and vote is entitled to appoint a proxy to attend, vote, and speak in his stead and such proxy need not also be a shareholder of the Company. Proxy forms should be forwarded to reach the offices of the Company by no later than 48 hours before the time appointed for the holding of the meeting.

**Please note: The Annual Report can be found on [www.peninsula.co.za](http://www.peninsula.co.za).**

By order of the board



Leisure Options (Pty) Ltd  
Secretaries

8 April 2022

*The*

# PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07  
("the company")

310 Main Road, Bryanston 2021

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Tel: 0112678300 / 0214307777

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Form of proxy for use by the shareholders at the thirty third annual general meeting of "A" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 9<sup>th</sup> June 2022 at 11h30.

## Form of Proxy

I / We.....being the holder/s of "A" ordinary shares in the company appoint:

1. ....or failing him/her
2. ....or failing him/her
3. the chairman of the annual general meeting.

as my / our proxy to vote for me / us / on my / our behalf at the annual general meeting of "A" members, to be held on the abovementioned date and at any adjournment thereof as follows:

**Resolution 1\***  
**Resolution 2\***

In favour of	Against	Abstain

\* Refer "Notice of meeting"

Signed at.....this.....day of.....2022.

Signature

Assisted by me (where applicable)

## Notes

Unless otherwise instructed, specifically, as above, the proxy will vote as he / she thinks fit on all matters.

Any alteration or correction made to this form (including the deletion of alternatives, but excluding the deletion of singular / plural alternatives) must be initialed by the signatory/ies.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.

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

Proxy forms should be forwarded to reach the offices of the company by no later than 48 hours before the time appointed for the holding of the meeting.

*The*

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SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07  
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Fax: 0117061044 / 0864719721

Form of proxy for use by the shareholders at the thirty third annual general meeting of "A" and "B" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 9<sup>th</sup> June 2022 at 12h00 (or immediately after the annual general meeting of the "A" class members scheduled for 11h30, whichever is the later time).

### Form of Proxy

I / We.....being the holder/s of "A" or "B" ordinary shares in the company appoint:

1. .... or failing him/her
2. .... or failing him/her
3. the chairman of the annual general meeting.

as my / our proxy to vote for me / us / on my / our behalf at the annual general meeting of "A" and "B" members, to be held on the abovementioned date and at any adjournment thereof as follows:

	In favour of	Against	Abstain
<b>Resolution 1*</b>			
<b>Resolution 2*</b>			
• Hugh Patrick			
• Weston Dickson			
<b>Resolution 3*</b>			
• Hugh Patrick			
• Weston Dickson			
• Nicholas Dickson			
<b>Resolution 4*</b>			
• Chris Godenir			
• Hugh Patrick			
• Vee de Freitas			
• Brent Johansen			
• Lwandile Makubalo			
<b>Resolution 5*</b>			

\* Refer "Notice of meeting"

Signed at.....this.....day of.....2022.

Signature

Assisted by me (where applicable)

### Notes

Unless otherwise instructed, specifically, as above, the proxy will vote as he / she thinks fit on all matters.

Any alteration or correction made to this form (including the deletion of alternatives, but excluding the deletion of singular / plural alternatives) must be initialed by the signatory/ies.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so. Proxy forms should be forwarded to each the offices of the company by no later than 48 hours before the time appointed for the holding of the meeting.