

**MOUNT AMANZI
SHARE BLOCK LIMITED**
Registration Number: 1988 / 005182 / 06

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of the Mount Amanzi Share Block Limited. The meeting will be held at Mount Amanzi on Saturday, 7 May 2011 at 09h30 (map included).

AGENDA

1. Open and Welcome
2. Apologies / Proxies / Quorum
3. Confirmation of the minutes of the AGM held on 3 July 2010
4. Matters arising from the minutes
5. Confirmation of the Chairman's report
6. Confirmation of the Financial Statements for the year ended 31 August 2010
7. Approval of Auditors Remuneration
8. Appointment of Auditors
9. Approval of Insurance with or without amendments
10. Determination of the number of Directors
11. Election of Directors
12. Appointment of Audit Committee
13. Vote of thanks and close

NOTE

Every member who is entitled to a vote may appoint a proxy and the proxy form attached hereto, must be completed and received by Mount Amanzi at least 48 hours before the scheduled commencement time of the meeting. Please fax to 086 544 5742 or mail to PO Box 169, Hartbeespoort, 0216.

BY ORDER OF THE BOARD



**MOUNT AMANZI
AANDELEBLOK BEPERK**
Registrasie Nommer: 1988 / 005182 / 06

KENNISGEWING VAN DIE ALGEMENE JAARVERGADERING

Hiermee word kennis gegee van die Algemene Jaarvergadering van Mount Amanzi Aandeleblok Beperk. Die vergadering sal te Mount Amanzi gehou word op Saterdag, 7 Mei 2011 om 09h30 (padkaart ingesluit).

AGENDA

1. Opening en Verwelkoming
2. Verskonings / Volmagte / Kworum
3. Bevestiging van die notule van die Jaarvergadering gehou op 3 Julie 2010
4. Sake voortspruitend uit die notule
5. Bevestiging van die Voorsittersverslag
6. Bevestiging van die Finansiële State vir die jaar geëindig 31 Augustus 2010
7. Goedkeuring van die Ouditeursvergoeding
8. Aanstelling van Ouditeure
9. Goedkeuring van Versekering met of sonder wysigings
10. Vasstelling van die aantal Direkteure
11. Verkiesing van Direkteure
12. Aanstelling van Ouditkomitee
13. Bedankings en afsluiting

NOTA

Elke lid wat geregtig is om te stem mag 'n gevolmagtigde aanstel en die volmagvorm, hierby aangeheg, moet voltooi en ontvang word deur Mount Amanzi se kantore ten minste 48 uur voor die aanvang van die vergadering. Stuur dit per faks aan 086 544 5742 of pos aan Posbus 169, Hartbeespoort, 0216.

IN OPDRAG VAN DIE RAAD



DEAR MEMBER

You are cordially invited by the Management of the Mount Amanzi Share Block Limited to attend the Annual General Meeting to be held at Mount Amanzi on 7 May 2011 at 09h30.

Enclosed herewith the following documents relating to the Annual General Meeting of the Mount Amanzi Share Block Limited.

Included the following:

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1. Notice of the Annual General Meeting and Agenda	1
2. Minutes of the Annual General Meeting held on 3 July 2010	3-8
3. Chairman's report	9-13
4. Annual Financial Statements for the year ended 31 August 2010	14-29
5. Proposed Insurance Schedule	30
6. RSVP	i4
7. Proxy form	i2
8. Nomination of Directors form	i5

Should you wish to have any matter of general interest raised at the meeting then please submit same in writing, to be received at least 48 hours before the meeting commences, to Mount Amanzi at P.O. Box 169, Hartbeespoort, 0216 or fax to 086 544 5742.

GEAGTE LID

U word hartlik uitgenooi deur die Bestuur van die Mount Amanzi Aandeleblok Beperk na die Algemene Jaarvergadering wat gehou word te Mount Amanzi op 7 Mei 2011 om 09h30.

Ons sluit hierby dokumentasie ten opsigte van die Algemene Jaarvergadering van die Mount Amanzi Aandeleblok Beperk in.

Ingesluit die volgende:

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6. Aanvaarding van uitnodiging	i1
7. Volmagvorm	i3
8. Direkteursnominasievorm	i5

Indien daar enige aangeleentheid is van algemene belang wat u graag wil bespreek stel dit asseblief op skrif en stuur, sodat dit ontvang word ten minste 48 uur voor die aanvang van die vergadering, aan Mount Amanzi by Posbus 169, Hartbeespoort, 0216 of faks aan 086 544 5742.

Registered Office: Farm Hartbeesfontein 445,
District Brits,
0250

Geregistreerde Adres: Plaas Hartbeesfontein 445,
Distrik Brits,
0250

MOUNT AMANZI SHARE BLOCK LIMITED
REGISTRATION NO: 1988/005182/06

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF
MOUNT AMANZI SHARE BLOCK LIMITED, HELD AT MOUNT AMANZI ON THE
03RD JULY 2010, AT 10:00 IN THE VISAREND HALL.

1. OPENING AND FORMALITIES

The Chairman, Mr John Meyer, introduced himself and welcomed all present. He introduced Pastor Andries who opened the meeting in prayer.

2. APOLOGIES PROXIES QUORUM

Apologies were received from 19 shareholders who had also submitted proxies. The attendance at the meeting was as follows:

- Registered shareholders : 31
- By proxy : 32

Total number of votes : 2317

The Chairman confirmed that the notice of the 20th Annual General Meeting was sent out timeously, that a quorum was present and that the meeting was therefore properly constituted. The Chairman introduced the Board Members.

3. MINUTES OF THE AGM HELD ON 30 MAY 2009

The Chairman referred to the signed minutes included in the AGM pack and same were unanimously accepted.

4. MATTERS ARISING FROM THE PREVIOUS MINUTES

Dr Theron suggested that the Item investments and interest be added to the Agenda.

The Chairman advised that this item would be discussed under the agenda item "financial statements".

5. ACCEPTANCE OF THE CHAIRMAN'S REPORT

The Chairman's report having been circulated was accepted as read and the Chairman highlighted the following aspects.

The resort is very popular amongst RCI members and had retained its RCI Silver Crown status and he thanked Management and staff for maintaining these standards as this benefitted the members in terms of their RCI exchange options.

Further Investigations were conducted in accordance with the proposals at the previous AGM. The current Board investigated the White Sails agreement and the work that was contracted to be completed. Investigations showed that the previous Board had awarded the contract and made pre-payments but that all the items had not subsequently been delivered. The financial position of the owner seemed precarious and the current claim for undelivered goods was in the region of R517 000. The Board had now been informed that the business had been terminated and the owner had applied for voluntary sequestration, but this could not be confirmed as yet.

The members questioned the authorisation, risk and accountability relating to the possible loss and the Chairman confirmed that the Board was investigating the previous Boards' decision regarding the entire transaction and found that the Company Auditors had raised a comment regarding the conclusion of the agreement and the prepayments made and that Mr Danie Schutte who was on the Board at that time had also noted his disagreement with the process.

The Chairman requested Dr Jan Swanepoel who was the chairman at the time and in charge of the financial portfolio to address the meeting and to comment on the risk management and circumstances relating to the order.

Dr Jan Swanepoel advised that White Sails had delivered services and goods to the Resort for approximately 2 years, and that all the linen and curtains that were used in the upgrading of the chalets were supplied by White Sails. Based on the track record of White Sails and the fact that the repair of the couches was considered a priority, the Director in charge of this portfolio had thoroughly investigated the type of material and the workmanship as well as durability and had proposed that the quote be accepted. The Board had considered other quotations, but the White Sales White Sails' quotation was R300,000 cheaper than the other quotations and the product was of a superior nature.

Due to imminent price increase in the price of leather, the decision to award the quote to White Sales was taken by round robin resolution. Dr Swanepoel assured the meeting that the decision was not an impulsive one and that at that time the Board had no reason to believe that there would have been any risk. The Board had conducted a credit check on White Sails, as well as the sole owner, and in subsequent negotiations she had also offered to cede an insurance policy to the company as security, but this had not been pursued.

Dr Swanepoel stated that the Board had acted in good faith, and whilst there was some risk involved in advancing payments the saving of R300 000 weighed heavily in favour of the awarding of the contract to White Sales.

Mr Danie Schutte informed the meeting that he was on the Board when the White Sails decision was taken and the way in which the matter was handled led to his resignation before his term as Director ended. He contradicted Dr Jan Swanepoel' s explanation adding that the decision was in fact a hasty one and that the expenditure was unbudgeted and added that in his opinion Dr Swanepoel didn't have the proper authority to approve the transaction as the round robin decision was defective and the pre-payments unauthorised. He confirmed he had forwarded his objections and proof to the Board as well as the Company Auditors. He had called for an investigation but this was rejected by Dr Swanepoel, he then called for a general meeting and that was also declined. As a result of this he resigned.

Mr Schutte proposed that the current Board investigate the matter fully and then take the appropriate action, because he tried and his attempts to uncover the matter proved to be futile.

The members requested further detail before considering the proposal and questioned the level of authority re unbudgeted items and accountability of the implicated Directors.

The Chairman responded that each Board member had a fiduciary duty to ensure that all business was conducted in the best interest of the Company, and that if a Board member had a personal or vested interest in any contract that it be declared upfront. The spending of funds was always subject to the approved budget and the payment for unforeseen and unbudgeted expenses, for example the electric cabling, could only be sanctioned by a formal Board resolution.

The Chairman advised that the then Board had appointed a third party to conducted a Management Audit who had also raised the issue of the ordering and the payment process relating to this contract, however that Board had ignored this this section of the Report and the comment was not pursued.

The Chairman introduced the Company Auditor, Mr Hennie Enslin to give feedback about the steps that were taken by the current Board to resolve the issue and acquire information.

Mr Hennie Enslin confirmed that the comments and objections by Mr Danie Schutte were noted in the minutes, He had ascertained that pre-payments/deposits were paid and there was undertaking from White Sails to deliver the required goods and services, however it appeared that the deposit money was then spent on other items. This resulted in White Sails not being able to deliver the required services without further payments from the resort.

He confirmed that the current Board immediately stopped all payments, and on further investigation concluded that there was no financial sense in continuing with the arrangement of making

prepayments to White Sails. The new Board had reported the matter to the SAPS who had visited him to obtain information regarding the case.

Mr Enslin confirmed that the loss was already provided for and written off as bad debt, but he expressed his doubts about being able to recover any of the prepayments.

Dr Swanepoel requested that his objection to Mr Schutte's comment be recorded as he contended that the previous Board's decision was taken correctly and the majority of the directors had responded and approved the decision. Dr Swanepoel confirmed 3 SA Board members and 1 USA director voted in favour of the resolution the other 2 USA Directors hadn't voted and according to the articles of the Company, 3 South African Board members constituted a quorum. He added that the Board at that time had the power to make the payment to White Sails and had in fact had an obligation to do so and even obtained legal advice on the matter and this also led to the request for a Management Audit.

Dr Swanepoel also informed the meeting that a SARS audit was conducted and the resultant expense was not budgeted for, so instead of the company having a surplus, the SARS expense had reversed the expectation and the financials showed a year end deficit.

Mr Hein expressed his discontentment with the boards handling of the companies matters, adding that he had no confidence in 2 of the current Board members and agreed with Mr Danie Schutte that there were irregularities and these must be pursued.

Dr Theron commented that it appeared there was a dispute between the Board, the Company Auditors and Mr Danie Schutte, and the fact of the matter was that the Company had a huge loss and he supported the proposal by Mr Schutte for the current Board to continue with the case adding that according to the Companies Act, Directors could be held personally responsible if there was proof of negligence and this should be included in the proposal Mr Schutte concurred.

The Chairman recapped that the amended proposal was therefore that: The members instruct the Board to pursue their investigations and based on their finding pursue any irregularities including any claims for negligence against the relevant Directors. Mr Schutte confirmed the proposal and Dr Theron seconded it.

The meeting accepted the proposal on a unanimous show of hands.

The Chairman confirmed that the Board was investigating all service contracts and that the operation of the Rental pool previously handled by Dr Swanepoel was now being handled by the company as per the provisions of the articles and added that nothing prevented or prohibited any shareholder from renting out their booked week through a 3rd party, but cautioned that they should ensure that the rental agent was registered with the EAAB and VOASA.

The Chairman further advised that the collection of debts previously handled by Dr Swanepoel was now handled internally by the company staff and most of the international members operated through a USA agency ICW in terms of a private arrangement between themselves.

The Chairman confirmed that Mr Oosthuizen was reviewing accounting policies and systems and stringent controls were introduced in respect of any authorizations

Members enquired re the impact of the world cup event and the Chairman advised that a contract was entered into with MATCH, as they wanted to rent units from the rental pool and peak week owners. MATCH had however withdrawn from the agreement just before they had to give the guarantees and the entire industry's stock offered to MATCH was returned during the beginning of January 2010, as the demand for accommodation was not forthcoming.

As a further rectification of past practices, the Board had also resolved to only accept formal and duly authorised proxies which complied with the statutory requirements.

The Chairman's report was accepted and the comments noted.

6. ACCEPTANCE OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 AUGUST 2009.

The Chairman requested Mr Johan van Niekerk to present the financial statements, and requested the auditor Mr Enslin to deal with any questions from an audit perspective.

Mr van Niekerk presented the financial statement for the past financial period and explained the various entries in the financial statements. He referred to the Statement of Comprehensive Income for the year ended 31 August 2009 which was a summary of the income and expenditure of the company highlighting that interest was generated from money that was invested and that the investment could only be invested in registered financial institutions like banks.

Directors remuneration referred to the compensation for Directors for attending meetings and provision of 'other services' that inter alia involved the contract for the collection of levies, labour consulting services and remuneration for management services rendered by Mr Gerrie Oosthuizen and Ms Jenette Engelbrecht for management duties on the resort.

The increase in the Housekeeping contract was due to a new contract being signed.

Personnel cost had increased significantly due to the payment of approximately R400 000 to the Receiver of Revenue for employee tax that had not been paid by certain Directors. This was in addition to the fine that was paid. The Company was currently trying to collect the money.

The bad debts of about R600 000 in the business division was due to debts that were written off, due to non-payment for conferences. The Board was collecting the overdue amounts and some R160 000 was already collected.

Building cost related to the improvement of the restaurant and the braais and roofs that were erected at the chalets.

Computer system expenses were in respect of cost for replacing the server as well as purchasing a Point of Sale system.

In summary there was a deficit of R928 720 from the operating activities and the deficit was funded from the reserves.

Dr Theron enquired about the investments of the Company.

Mr van Niekerk explained that the Company invested with ABSA and Investec, which were considered as low risk financial institutions and no broker fee was involved.

Dr Theron also enquired about the collection fee of R100 000 that was paid to Dr JG Swanepoel.

Mr Johan van Niekerk explained that this was paid to Dr JG Swanepoel as part of an arrangement he had with the Board for the collection of levies. The total fee was calculated as a percentage of the total levies recovered. The contract had however been cancelled as mentioned by the Chairman and the resort was now collecting the outstanding levies.

A Shareholder wanted to know why the Board deviated from the normal accounting procedure.

Mr Johan van Niekerk explained that in a normal operation, the assets would be written off over a period of time for tax purposes. The resort only paid tax on interest and additional income. Assets were therefore not written off against depreciation, but were written off on purchase and then maintained for their useful life cycle.

The Chairman thanked Mr Johan van Niekerk and explained to the meeting how the budget was prepared and the provision for future expenditure on refurbishment was made. He added that it was the Board's responsibility to ensure that levy increases were realistic given the operational requirement of the resort.

The Chairman called for a proposal for the acceptance of the Financial Statements for the year ending 31 August 2009.

The Financial Statements were accepted on a unanimous show of hands.

7. APPROVAL OF AUDITORS REMUNERATION

The Chairman called for a proposal for the Auditors to be paid and the proposal was approved by the meeting.

8. APPOINTMENT OF AUDITORS

The Board proposed that GKL be reappointed as Auditors.

The proposal was accepted on a unanimous show of hands.

9. APPROVAL OF INSURANCE WITH OR WITHOUT AMENDMENTS

The Chairman explained to the meeting that the Board had obtained various quotes, however the tabled schedule still did not fully correspond with the asset register which had recently been completed due to certain omissions and inclusions of items already disposed of and confirmed that the current policy would expire on 31 Aug 2010. The Board therefore proposed that the meeting authorise the Board to amend the schedules where necessary and to then renew the insurance based on the best quote relating to cover, service and premium.

Me Elriza Pienaar wanted to know who the current Broker was and if it was the current Broker who contacted the 3 Companies for quotations. She also enquired about the liability insurance for the actions of Directors.

The Chairman asked Dr Jan Swanepoel who was the Broker to comment on the current insurance and the questions raised.

Dr Swanepoel informed the meeting that his Company had been handling the resort's insurance portfolio for the past 5 years. Two years ago he obtained several quotations that were submitted to the Board and stressed that when insurance was considered, one shouldn't look at premiums only, but the benefit structure, policy wording, co-payment structure and enhancements to relevant departments, the claims record and the strength of the Insurance Company, and how it is graded in the industry.

He confirmed that when he was elected as Director, the risk management with regards to insurance was referred to him.

Dr Swanepoel emphasized that he was not a connected agent but a totally independent Broker and added that the Company could certainly source cheaper insurance. Santam however had a very good claims record and all the claims that were submitted to Santam were paid without any problems. Dr Swanepoel mentioned that he was also paying a few hundred thousand Rand a year in personal levies and he therefore had an interest to ensure that the Company was properly insured. He further confirmed that the other quotes were sourced by the company and not by him personally. He cautioned against moving to another insurer purely due to premium considerations.

The Chairman confirmed that the company did not have Directors indemnity cover and asked Me Elriza Pienaar's for her proposal relating to the amount of cover for Directors liability. Me Elriza Pienaar informed the meeting that this was a very specialized market and there are currently were only two underwriters specializing in this and she would need a lot more detail before being able to make a proposal.

A shareholder mentioned that he was not happy with the fact that one of the Directors was also the Broker. He didn't think it was a good practice. The Chairman explained that the articles of association provide for this practice, subject to the declaration of interest prior to the discussion on the contract.

The Chairman dealt with further questions from the floor relating to quantum and insurance values and proposed that the current schedule and the premiums be reviewed by the Directors based on the issued raised by the members.

The Chairman's proposal was accepted on a unanimous show of hands.

10. DETERMINATION OF NUMBER OF DIRECTORS

The Chairman informed the meeting that the number of Directors was currently set at 7 and that 3 Directors would stand down by way of rotation. Mr Gerrie Oosthuizen was co-opted by the Board after the previous AGM, and he was available for re-election and had been nominated.

There were therefore 4 positions available and 6 nominations had been received.

The Chairman informed the meeting that Me Jenette Engelbrecht and Dr Jan Swanepoel informed him just before the meeting that they were considered withdrawing their nominations. On questioning them, they then withdrew their acceptance of the nominations and confirmed that they weren't available for re-election.

There were therefore 4 available positions and 4 nominations.

The Chairman asked for a proposal that the following nominees: Messrs Gerrie Oosthuizen, Danie Schutte, Tinus van Aarde and Johan van Niekerk, be appointed as Directors.

The proposal was accepted by a unanimous show of hands and the directors so appointed.

The Chairman welcomed the new Directors to the board and thanked Jenette Engelbrecht and Dr Jan Swanepoel for their term of office and handed them farewell gifts.

12. GENERAL

The Chairman declared that the statutory portion of the meeting was now completed and closed the formal portion of the meeting.

The Chairman advised that the members could raise items of general interest that these would be recorded and dealt with at the first Directors meeting.

Issued raised were:

The procedure re redundant stock.

Quality control on the veranda roofs.

Noise pollution re conference activities.

General cleanliness of the grounds and gardens.

Church services and communication to members.

As the previous Chairman, Dr Jan Swanepoel thanked Me Jenette Engelbrecht for her great passion and sacrifice, which he stated resulted in many of the improvements on the resort.

Mr Schutte thanked the current Board for pursuing matters previously raised, and the general appearance of the resort.

The Chairman thanked Me Marjorie Forssman and her team for their assistance in the setting up as well as the printing of the AGM booklet.

The Chairman thanked all the staff for their hard work as well as the shareholders for their input and the directors for their time and effort

The meeting was closed with thanks to the Chairman.



CHAIRMAN

24 March 2011

DATE

CHAIRMAN'S REPORT

Dear Shareholders,

It is my privilege to provide you with this Chairman's Report, for the past financial year and events up to the date of this report.

Condolences:

At the outset of this report and on a sad note, I would like to express the Board and Company's condolences with the passing of one of our Directors Mr. Tony Fernandes. We pray for his family in these stressful times. Tony was an active and enthusiastic Member of the Board and although he held a non-executive position he constantly sought to find innovative and cost saving solutions for the day-to-day operational challenges faced by Management. He was also very instrumental in keeping an eye on the budget process, and he will be sorely missed. May he rest in Peace.

Previous AGM:

Following on from the previous AGM and the various issues which were raised, as well as the various instructions given to the Board by the Members, we are pleased to advise that tremendous strides have been made in rectifying many of the issues that arose in the past, and in this report I shall attempt to outline some of the actions taken as well as the results pertaining thereto, and in particular to reflect on the achievements and future of the Company.

I would like to briefly deal with the various matters which arose from the previous AGM, and wish to report as follows:

Insurance cover / Insurer and Broker:

The meeting requested the Board to review the insurance cover and costs whereupon the entire portfolio was reviewed as to the insured values as well as the premiums. Comparisons were drawn between different Insurers and the service levels and following the due process, the Board decided to change the Broker dealing with the matter and we are happy to report that the service, which we received from the newly appointed Broker, Miemie Van der Westhuizen, has more than justified the change. Your Board is pleased to advise that currently all insurance matters are dealt with effectively and efficiently and we have built up a very good working relationship with Miemie, who comes well recommended and was also voted business woman of the year for 2008 / 2009.

White Sails Interiors:

Following on from the instructions from the meeting, summons has been issued against White Sails Interiors, as we have had no further communication from the Proprietor or her Attorneys regarding the purported sequestration and or debt review process, which she allegedly was following. We are currently awaiting the return of service of the various legal documents and will then monitor the matter on an on-going basis.

Leather Upholstery:

As mentioned in previous correspondence, unfortunately the quality of the “leather” fabric which was used in the process of recovering the couches and ottomans, has proven to be a very inferior product and has certainly not met the standards of genuine leather, which the Board was repeatedly assured was used and as result thereof we are in an on-going process of replacing the covering, which is now starting to disintegrate based on the fact that it is a processed leather product as opposed to a full skin leather product.

Sting:

Legal process's have also been initiated against “Sting”, the erstwhile cleaning company, who overcharged the Company in respect of cleaning services, and once again we are awaiting finalisation of the legal processes and will keep the Members apprised of information in this regard. However, we have been informed that there allegedly is a possibility of the Proprietor looking to wind up this entity. We however currently are proceeding with the legal action and will revert to the Members regarding same in due course.

Cleaning Staff:

As far as the cleaning staff are concerned, following on negotiations with the Union and the Staff Members, the Staff were ecstatic when we offered them employment contracts directly with the Company, after Sting had terminated their employment. To date we have had a marked improvement in their productivity and also the level of cleaning, and the cost savings in regard to the current situation versus the contracted situation via Sting is material, and we will continue to monitor this on an on-going basis. The Shareholders should be able to see the savings in the next set of Financial Statements, however, our average saving on the contract per month currently amounts to R 56 000.00.

RCI Silver Crown Status

In keeping with the deployment and restructuring of the Staff, we are pleased to advise that the Resort has been able to maintain its RCI Silver Crown Status, and based on feedback from RCI, ranks amongst the top Silver Crown resorts in South Africa. We are striving to achieve the Top Silver Crown award in the coming year, and with the cooperation of the Staff and Management, we believe that this is achievable.

Laundry

During the course of investigating all contracts and accounts, the Board came to the conclusion that the contractual situation as far as the laundry is concerned was another area where we were spending more money than necessary by contracting out a service. Your Board resolved to install its own laundry equipment on the site, so as to enhance the control and management of the laundry and also to be able to control the level of cleanliness and care of our laundry. The laundry is scheduled to be commissioned prior to the AGM, and Management will be taking our Members who attend the AGM on a brief tour of the laundry to show off the facility. The funding of the capital purchase has been procured from savings on the commercial savings and income on the commercial operations. This area has also shown a dramatic improvement in terms of bottom-line figures, mainly due to a re-structuring and reorganisation of all aspects relating to the commercial side of the business. We are also pleased to advise that following on from a restructure of the Conference Department, the returns and income has been markedly better, and this is portrayed to a certain extent in the current Financials, but will be much more evident from the future Financials.

Staff purchases at Company expense:

Following on the investigation of accounts and payments, a series of small accounts were traced where payments were made on behalf of Staff Members and a previous Director, and not recovered from the relevant people. The amounts have now been recovered and new systems introduced to ensure that no payments can be made unless a stringent payment and verification procedure is followed.

Financial Department:

Resulting from the restructuring of the department as well as the rectification of past errors and omissions, and the resignation of our Financial Manager your Board has appointed a new Financial Administrator and we look forward to her active participation in the process of managing the resort finances and also of being of assistance to our General Manager.

On reviewing the current accounting and levy systems it became very evident that the decision taken previously not to integrate the Ingrid system with the Pastel Accounting System has led to a laborious manual system, which was prone to human error. By integrating the two systems as has been done at other resorts, the process of data integration is automated and the results are free from human error and can be processed much quicker and more effectively from a report writing point of view.

Achievements and Improvements:

Turning now to the achievements over the past year, it is your Board's pleasure to advise that due to diligent usage of existing funds as well as careful planning regarding and relating to our budgeted expenses, the resort has been able to attend on the following matters, and I'm sure that when Members visit the Resort they will welcome the changes which are aimed at enhancing their holiday experience:

1. Air conditioners have been installed in all the units in Dikbas, and Karee and by the time we meet at the AGM, all the units will be completed.
2. The overlay to the roofs at the Chapel, the executive suite and Karee lapa have been completed.
3. The Mini Market has been upgraded and re-staffed and for the first time in a very long while is showing an acceptable gross profit.
4. The hot water swimming pool has been refurbished.
5. All the units now have awnings over their porches, and new braai's have been built.
6. The interiors of all the chalets are being repainted and the carpets replaced with tiles.
7. The security control room has been upgraded.
8. Safety rails have been installed where necessary.
9. A general upgrading has been commissioned as far as the grounds and gardens are concerned.

Camp area across the River:

We have experienced a lot of problems from the day visitors and weekend campers on the other side of the river, and you may have seen the newspaper reports on the various incidents which took place in this area.

Following on from extensive negotiations with the Owner and the Mountain Club of South Africa (MCSA) and the South African National Climbing Federation (SANCF), we are finalising a short term lease

arrangement where the Resort will control the access to the property. Day visitors who are not current Mount Amanzi Members in good standing, will be barred from entering, and due arrangements will be made with the MCSA and the SANCF Members to access the site.

This means that the grounds and access to the Mount Amanzi Owners and their Guests will increase by adding the entire picnic and trails area. The site has the following boundaries:

On the western side the Crocodile River, on the northern side the R512 Tarred Road, on the southern side the Eastern Canal flowing out of the Hartbeespoort Dam, and the Eastern side, a straight line from the Eastern side of the entrance gate to the R512 to the Eastern Canal. This adds a scenic picnic area and an 8km mountain walk, which will be the highlight of the week for those Members and Guests that enjoy walking and enjoying the natural beauty of the mountain paths.

Rotation of Directors:

As you are aware the Director's term of office rotates on an annual basis, and this year the following Directors will stand down but are eligible for re-election: JW Meyer and MA Forssman. The vacancy created by the untimely death of Tony Fernandes will then also be filled based on the nominations and voting at the AGM.

Levies:

One of the biggest challenges the Company faces is the payment of levies by our Shareholders, and I would like to thank our accounts ladies for their unceasing efforts in collecting levies from our Shareholders, and in the process assisting Shareholders who are experiencing hard times.

Unfortunately we have to apply the same rules to all our Members, and therefore exceptions can't be made in terms of general rules regarding collections interest and penalties, however on the whole our Members do effect payment to the levies timeously.

We currently have a small contingent of levy debtors both local and international who are still in arrears with their levies, and unless suitable arrangements can be made regarding the payment of levies prior to year end or before the due date for occupation, these shares and the weeks relating thereto will be placed on tender in terms of the provisions in the Articles of Association, and we will then be obligated to protect the interests of our paying Members by a replacing the defaulting debtors with paying Members.

If at this point in time you are in arrears or have not paid your full levies on time, please communicate with our admin staff, as the shares of those Members in default are currently on tender and will be sold to recover the outstanding levies.

AGM:

I would like to take this opportunity of inviting you to attend the Annual General Meeting as per the enclosed notice of the meeting and should you have any items which you specifically wish to raise, please do so well in advance of the AGM, so that we can investigate same and hopefully solve any queries which you may have and thereby ensure that the AGM deals with productive and constructive resolutions that meet the statutory purpose of an AGM as well as the expectations of our Members.

Until we meet at the Annual General Meeting I would like to wish you very blessed remainder of 2011, and trust that your holidays at Mount Amanzi will be an experience that will exceed your expectations.

Thanks:

I would like to thank our Staff and our Security Service Provider that have risen to the challenge under very difficult circumstances, and commend them for having done so above the call of duty and for the benefit of our Shareholders and the Company. Your efforts are appreciated and we recognise you for your contributions.

I would also like to extend a word of thanks to the Board, who have ably assisted with the various challenges which we faced during the year, mostly relating to the restructuring as well as the rectification of many issues that arose from the past, and I would like to thank each and every one for the time and effort they spent promoting and protecting the interests of the Shareholders and the Company and spending their valuable time in doing so.

Lastly a word of thanks to Gerrie and his enthusiastic Management Team. Without their input and constant investigations, many of the issues and transgressions which have been uncovered would not have been discovered. Gerrie thank you for your input dedication and also the way in which you handled some very trying challenges.

Regards and God bless,

A handwritten signature in black ink, appearing to read 'John Meyer', enclosed within a simple, hand-drawn rectangular box.

John Meyer
Chairman

MOUNT AMANZI SHARE BLOCK LIMITED

REG NR 1988/005182/06

FINANCIAL STATEMENTS AT 31 AUGUST 2010

GKL OUDITEURE

Geregistreerde Rekenmeesters en Oudituere GR (SA)

Registered Accountants and Auditors CA (SA)

Plaza Gebou 11A / 11 A Plaza Building

Van Veldenstraat 45 / 45 Van Velden Street Brits

✉: gklaudit@gkl.co.za

☎: (012) 252-3217

☎: (012) 252-0652

📍: 176 BRITS 0250



ouditeure / auditors

MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

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APPROVAL

The financial statements which appear on pages 2 to 14 were approved by the board of directors and signed on the 22 November 2010.


.....
DIRECTOR


.....
DIRECTOR

BRITS

22 November 2010

G.R.L.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

We have audited the annual financial statements of MOUNT AMANZI SHARE BLOCK LIMITED, which comprise the statement of financial position at 31 August 2010, the statement of comprehensive income, the statement of change in equity and statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 2 to 14.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion the financial statements fairly present, in all material respects, the financial position of the company at 31 August 2010 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa.

GKL AUDITORS

Registered Accountants and Auditors

Per:


BRITS

22 November 2010

MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

To the shareholders:

In pursuance of the provisions of Section 299 (1) and (3) and paragraphs 59 to 61 of the fourth Schedule of the Companies Act 1973, we wish to report as follows:

1. NATURE OF BUSINESS

The company operates as a share block company in terms of the Share Block Control Act. The timesharing resort is situated on the farm Hartbeesfontein 445, district Brits. The activities of the company are reflected in the financial statements.

2. REVIEW OF BUSINESS ACTIVITIES AND RESULTS FOR THE YEAR

The company showed a surplus of R186 315 (2009 deficit - R928 720) during the year under review. At year end the accumulated surplus amounted to R8 541 593 (2009 : R8 356 859).

3. DIVIDENDS PAID AND PROPOSED

No dividends were paid nor is any dividend proposed.

4. SHARES ISSUED DURING THE YEAR

No shares were issued.

5. MAJOR CHANGES IN THE FIXED ASSETS OF THE COMPANY

Fixed assets to the value of R43 860 were purchased during the year (2009 : R294 987). Fixed assets to the value of R86 946 were disposed off during the year (2009 : R5 700).

6. BUSINESS ACTIVITIES MANAGED BY A THIRD PARTY IN TERMS OF AN AGREEMENT

The resort is managed and under the control of the board since February 2001.

7. DIRECTORS AND SECRETARY

The following persons served as directors:

Non-Executive Chairman:	Meyer, J W	(Appointed 30.05.2009)
Executive:	Oosthuizen, G C	(Appointed 29.01.2009)
Non-Executives:	Engelbrecht, J C	(Retired 03.07.2010)
	Fernandes, A C	(Appointed 30.05.2009)
	Forsman, M	(Appointed 30.05.2009)
	Grobler, S J	(Retired 03.07.2010)
	Oescher, J H	(Retired 03.07.2010)
	Schutte, D	(Appointed 03.07.2010)
	Swanepoel, J G, Dr	(Retired 03.07.2010)
	Van Aarde, M C	(Appointed 03.07.2010)
	Van Niekerk, J	(Appointed 03.07.2010)

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8. **SECRETARY**

Corporate Law Services (Pty) Ltd act as company secretary.

9. **POST BALANCE SHEET CHANGES**

None.

10. **STATEMENT OF RESPONSIBILITY BY THE DIRECTORS**

The directors are responsible for the preparation, integrity and fair presentation of the financial statements. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP) and include amounts based on judgments and estimates made by management. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors are also responsible for the company's system of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequate safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

11. **DEPARTURE FROM ACCOUNTING PRACTICE**

Asset replacements and additions are charged to the income statement annually and no depreciation is provided for. The accounting treatment differs from the relevant South African Statements of Generally Accepted Accounting Practice (GAAP), which requires that property, plant and equipment be capitalised and depreciated over its useful life.

Our board considers that the South-African Statements of GAAP in relation to property, plant and equipment is not appropriate for share block companies in the timeshare industry. Discussions have been initiated with other players in the South-African timeshare industry and the accounting regulators to obtain exemption from compliance with the current Statement of GAAP.



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MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

STATEMENT OF FINANCIAL POSITION AT 31 AUGUST 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	1, 16	22 754 046	22 797 132
Current Assets			
Receivables	2	1 055 023	1 297 617
Cash on hand	3	13 584 341	12 842 191
Taxation	7	19 821	-
Inventory	4	192 744	282 780
TOTAL ASSETS		37 605 975	37 219 720
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued share capital	5	2 600	2 600
Non-distributable reserve		5 965 357	6 008 443
Retained earnings		8 586 260	8 356 859
Non-Current Liabilities			
Long-term loans			
- Non-interest bearing loans	6	16 788 689	16 788 689
Current Liabilities			
Payables		2 624 993	2 733 334
Taxation	7	-	26 272
Levies received in advance		3 638 076	3 303 523
TOTAL EQUITY AND LIABILITIES		37 605 975	37 219 720



Note: The attached notes form part of the financial statements.

BRITS

22 November 2010



MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
Administration and transfer fees		123 289	87 066
Discount received		1 727	2 139
Gross profit business division		2 846 367	5 000 602
- Turnover		5 648 321	9 432 462
Less: Cost of sales		2 801 954	4 431 860
Levies		16 392 722	14 917 000
Levy penalties		165 308	4 821
Net interest received	8	939 048	1 547 912
Rental and other income	10	544 747	383 551
TOTAL INCOME		21 013 208	21 943 091
Less: TOTAL EXPENSES		20 826 893	22 721 893
Administration and operating expenses	11	12 285 455	14 099 752
Business division expenses	12	3 253 720	3 595 162
Directors remuneration		877 184	1 049 286
- As directors		193 479	162 513
- Other services	9	683 705	886 773
Levies recovered		-	(366 581)
Levies bad debts adjustment		(30 000)	-
Replacement and improvement cost	14	4 440 534	4 344 274
NET SURPLUS / (DEFICIT) BEFORE TAX		186 315	(778 802)
TAXATION		-	(149 918)
SURPLUS / (DEFICIT) FOR THE YEAR		186 315	(928 720)




MOUNT AMANZI SHARE BLOCK LIMITED

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STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2010

	Ordinary share capital	Non- distributable reserve	Retained earnings	Total R
EQUITY AT THE END OF THE YEAR 2008	2 600	5 719 156	9 574 866	15 296 622
DEFICIT FOR THE YEAR 2009	-	-	(928 720)	(928 720)
TRANSFER CAPITAL ADDITIONS	-	289 287	(289 287)	-
EQUITY AT THE END OF THE YEAR 2009	2 600	6 008 443	8 356 859	14 367 902
SURPLUS FOR THE YEAR 2010	-	-	186 315	186 315
WRITE OFF OF ASSET	-	(86 946)	86 946	-
TRANSFER CAPITAL ADDITIONS	-	43 860	(43 860)	-
EQUITY AT THE END OF THE YEAR 2010	2 600	5 965 357	8 586 260	14 554 217




MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2010

	<u>2010</u>	<u>2009</u>
	<u>R</u>	<u>R</u>
CASH FLOW FROM OPERATING ACTIVITIES	786 010	590 330
Surplus / (Deficit) on normal activities before taxation	186 315	(778 802)
Adjustments for:		
- Loss on disposal of assets	86 946	5 700
- Net interest	(939 048)	(1 547 912)
NET CASH BEFORE WORKING CAPITAL CHANGES	(665 787)	(2 321 014)
CHANGES IN WORKING CAPITAL	558 842	1 487 078
Decrease in receivables	242 594	1 227 669
Decrease in inventory	90 036	190 361
(Decrease) / Increase in payables	(108 341)	98 263
Increase / (Decrease) in levies paid in advance	334 553	(29 215)
NET CASH AVAILABLE FROM OPERATING ACTIVITIES	(106 945)	(833 936)
Taxation paid	(46 093)	(123 646)
Interest received	939 048	1 547 912
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(43 860)	(294 987)
NET CHANGE IN CASH AND CASH EQUIVALENTS	742 150	295 343
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	12 842 191	12 546 848
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13 584 341	12 842 191




MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

ACCOUNTING POLICY**1. Basis of Preparation**

The financial accounts are prepared on the historical-cost-basis which are consistent with those of the previous years, except where noted. The accounting policy complies with the International Financial Reporting Standards (IFRS).

2. Property, Plant and Equipment

All replacements of chalet equipment and additions to property, plant and equipment are expensed in full in the income statement. Additions to property, plant and equipment are debited at cost with a corresponding credit to a non-distributable reserve. Therefore no depreciation is calculated on property, plant and equipment.

3. Turnover and Revenue Recognition

Turnover represents levy income, gross sales from business activities and other gross income. Interest income is recognized on an accrual basis. Administration fees are recognized as the service is rendered.

4. Retirement Benefits

The company provides no retirement benefits.

5. Inventory

Stock is valued at the lower of cost or net realisable value. Net realisable value is the calculated selling price in the normal business activities, less cost of completion and selling cost.

6. Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors, leases and borrowings. These instruments are recognised in the financial statements at inception.

7. Provisions

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

Provision is made for the estimated costs of claims outstanding at year-end, including those incurred but not yet reported to the company at that date.

Employee entitlements to annual leave are recognised as these accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date.

8. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with bankers, but does not include deposits and money market securities held for investment, even if nearing maturity, as these will be reinvested in similar investments.

9. Deferred Tax

Provision is made for deferred tax attributable to all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, at applicable tax rates. A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not discounted.

10. Comparative Figures

Where necessary, prior year comparative figures have been reclassified to conform to changes in presentation in the current year.

11. Change in accounting policy

Refer to note 15.

MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

	<u>2010</u>	<u>2009</u>
	R	R
1. <u>NON-CURRENT ASSETS</u>		
Property, plant and equipment (note 16)	22 761 546	22 797 132
1.1 <u>Property and buildings</u>		
Description of property		
The following portions of portion 7 of the farm Hartbeesfontein 445 JQ, North-West:		Cost
Portions 42, 182, 184, 185, 200, 201, 203, 204, 205 and 206		
- Measuring 28,38 hectare	3 544 948	3 544 948
Survey fees capitalised	12 376	12 376
Subdivision cost capitalised	15 482	15 482
Transfer fees capitalised	27 144	27 144
	3 599 950	3 599 950
2. <u>RECEIVABLES</u>		
Conference receivables	514 867	551 088
Other	16 266	28 698
Outstanding levies	22 980	79 147
SARS : VAT refundable	359 054	459 110
Staff loans	103 732	67 665
Suppliers paid in advance	936 974	600 864
Provision for doubtful conference receivables	(122 503)	-
Provision for doubtful debt - Housekeeping expense overcharged	(756 347)	(438 955)
Provision for doubtful levy debts	(20 000)	(50 000)
	1 055 023	1 297 617
3. <u>CASH ON HAND</u>		
Current bank accounts		
- Absa	637 021	575 764
- Nedbank	64 561	734 618
Call deposits		
- Absa	8 331 557	8 039 011
- Investec	4 546 102	3 482 784
Other	5 100	10 014
	13 584 341	12 842 191
4. <u>INVENTORY</u>		
Trading inventory	192 744	282 780
5. <u>ISSUED SHARE CAPITAL</u>		
AUTHORISED		
- 26 000 Ordinary "B" shares of R0,10 each	2 600	2 600
ISSUED		
- 26 000 Ordinary "B" shares of R0,10 each	2 600	2 600


 G.R.L.

MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

	<u>2010</u>	<u>2009</u>
	<u>R</u>	<u>R</u>
6. <u>NON-CURRENT LIABILITIES</u>		
Unsecured interest free loans		
- Shareholders	16 788 689	16 788 689
(These loans are interest free and only repayable on liquidation).		
7. <u>TAXATION</u>		
7.1 <u>Income tax expense</u>		
South African normal taxation	(19 821)	26 272
7.2 <u>Tax reconciliation</u>		
Accounting profit / (loss) before tax	186 315	(778 802)
Tax at the applicable tax rate of 28%	52 168	-
Tax effect of income that are not taxable in determining taxable profit	(4 636 248)	(4 178 110)
Tax effect of expenses that are not deductible in determining taxable profit	4 584 080	4 178 110
	-	-
Effective tax rate	0%	0%
8. <u>NET INTEREST</u>		
Interest received - Receivables	40 418	98 505
Interest received - Investments	898 630	1 449 407
	939 048	1 547 912
9. <u>RELATED PARTY TRANSACTIONS : DIRECTORS REMUNERATION</u>		
<u>OTHER SERVICES</u>		
During the year the company entered into transactions with certain related parties as follows:		
<u>RELATED PARTY</u>	<u>Type of transaction</u>	<u>Amount paid</u>
J L C Engelbrecht	Management services	210 343
S J Grobler	Labour consulting	103 569
G C Oosthuizen	Management services	341 287
J G Swanepoel	Transfer fee rebate	4 200
J G Swanepoel	Rental pool commission	132 075
10. <u>RENTAL AND OTHER INCOME</u>		
Accommodation income	25 633	178 069
Bad debts recovered	179 199	-
Breakages recovered	127 959	37 482
Electricity recovered	38 062	61 745
Housing services supplied	129 227	106 255
Insurance claims	44 667	-
	544 747	383 551

MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
11. ADMINISTRATION AND OPERATING EXPENSES		12 285 455	14 099 752
Administration cost		2 563 692	3 873 618
Auditors remuneration	13	95 356	89 793
Bad debts		326 029	969 547
- Written off : Other debtors		8 637	-
- Written off : Supplier paid in advance not recoverable		-	530 592
- Provision : Housekeeping contract overcharged		317 392	438 955
Bank charges		292 556	314 972
Computer expenses		115 777	173 981
Consultation fees		116 450	539 552
Insurance		373 990	350 209
Leases		2 182	15 394
Legal and collection fees		27 861	20 741
Penalties and interest : SARS		8 692	225 970
Refreshments and entertainment		120 301	136 394
Stationery, printing and postage		282 901	283 107
Subscriptions and TV licenses		520 642	470 665
Telephones and communication		280 955	283 293
Operating cost		6 254 752	6 204 108
Chalet maintenance		219 650	244 634
Electrical generator operating costs		7 166	12 853
Facilities maintenance		479 778	611 992
Gardening services		132 253	115 420
Housekeeping contract		1 600 700	1 584 144
Housekeeping expenses		1 095 153	1 052 661
Maintenance roads and paving		1 088	564
Municipal charges		1 281 881	1 049 493
Reception cost		27 319	32 864
Recreational cost		149 882	292 745
Repairs mechanical equipment		-	23 373
Scrapping of asset		86 946	-
Security cost		788 785	804 323
Swimming pool expenses		64 739	68 030
Tools replacement		41 942	41 554
Uniforms		18 577	65 576
Vehicle operating costs		258 893	203 882
Personnel cost		3 467 011	4 022 026




MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>R</u>	<u>R</u>
12. BUSINESS DIVISION EXPENSES			
Advertising		42 002	49 738
Audit fees	13	43 750	33 211
Bad debts		176 503	600 252
- Written off		54 002	600 252
- Provision		122 503	-
Bank charges		46 512	68 419
Breakages and replacements		28 682	-
Cleaning		120 613	89 009
Commission paid		168 560	284 342
Decorations		2 149	-
Discount allowed		3	3 927
Entertainment		8 759	167
Guest necessities		62 890	10 370
Printing and stationery		53 773	35 639
Rental of equipment		15 771	439
Repairs and maintenance		92 598	111 467
Staff cost		2 332 226	2 292 036
Subscription and licenses		-	7 550
Telephone cost		13 220	8 324
Training and uniforms		45 709	272
		3 253 720	3 595 162
13. AUDITORS REMUNERATION			
Administrative and operating expenses		95 356	89 793
Business Division		43 750	33 211
		139 106	123 004




MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

	<u>2010</u>	<u>2009</u>
	<u>R</u>	<u>R</u>
14. <u>REPLACEMENT AND IMPROVEMENT COST</u>		
Braai's	653 020	-
Buildings	-	1 377 389
Café and tea garden	5 134	141 656
Chalet linen, bedding and furniture	428 520	1 948 390
Chalet roofs	1 361 006	53 880
Computer system	-	115 365
Electrical	1 479 785	-
Sewerage	110 730	-
Wooden deck sets	219 868	-
Conference centre - Building upgrade	73 940	175 303
Restaurant	108 531	532 291
	<u>4 440 534</u>	<u>4 344 274</u>
15. <u>CHANGE IN ACCOUNTING POLICY</u>		
The company changed it's accounting policy during the 2009-year. The change was imposed to conform to the company's policy, regarding property, plant and equipment with current industry standards. Depreciation is no longer calculated on property, plant and equipment.		
Increase in capital reserve	-	289 287
(Decrease) / Increase in retained earnings	-	(289 287)
	<u>-</u>	<u>-</u>
Surplus for the year	-	793 833
Taxation	-	-
Net change	<u>-</u>	<u>793 833</u>




MOUNT AMANZI SHARE BLOCK LIMITED

REG NO 1988/005182/06

NOTES THAT FORM PART OF THE ANNUAL STATEMENTS AT 31 AUGUST 2010

16. PROPERTY PLANT AND EQUIPMENT	Cost price beginning	Purchase and additions	Net sales and write-offs	Cost price
2010				
16.1 Assets in residential units	18 613 280	-	-	18 613 280
Buildings	13 484 476	-	-	13 484 476
Crockery	128 740	-	-	128 740
Equipment	258 968	-	-	258 968
Furniture	603 454	-	-	603 454
Linen	537 692	-	-	537 692
Property	3 599 950	-	-	3 599 950
16.2 Office and other assets	4 183 852	43 860	(86 946)	4 140 766
Computers	777 412	-	-	777 412
Furniture	1 655 472	-	-	1 655 472
Machinery	781 359	-	-	781 359
Software	103 540	-	-	103 540
Vehicles	866 069	43 860	(86 946)	822 983
TOTAL 2009	22 797 132	43 860	(86 946)	22 754 046

	Cost price beginning	Purchase and additions	Net sales and write-offs	Cost price
2009				
16.1 Assets in residential units	18 613 280	-	-	18 613 280
Buildings	13 484 476	-	-	13 484 476
Crockery	128 740	-	-	128 740
Equipment	258 968	-	-	258 968
Furniture	603 454	-	-	603 454
Linen	537 692	-	-	537 692
Property	3 599 950	-	-	3 599 950
16.2 Office and other assets	3 894 565	294 987	(5 700)	4 183 852
Computers	775 472	7 640	(5 700)	777 412
Furniture	1 600 041	55 431	-	1 655 472
Machinery	781 359	-	-	781 359
Software	27 624	75 916	-	103 540
Vehicles	710 069	156 000	-	866 069
TOTAL 2009	22 507 845	294 987	(5 700)	22 797 132

MOUNT AMANZI SHARE BLOCK LIMITED
MOUNT AMANZI AANDELEBLOK BEPERK
REG NO: 1988 / 005182 / 06

INSURANCE SCHEDULE EFFECTIVE FROM 01 SEPTEMBER 2010 TO 31 AUGUST 2011

Type	Sum Insured	Premium
Buildings - Standard	R 107,976,236.00	R 10,796.14
Content - All Standard Buildings	R 15,381,272.00	R 1,537.28
Geysers and Electric Fence	R 2,693,350.00	<i>Premiums included under 'Buildings'</i>
Tennis courts	R 465,850.00	
Bridges	R 612,260.00	
Swimming pools	R 378,004.00	
Shading (Parking)	R 63,888.00	
1.8 million l Reservoir	R 2,395,800.00	
Paving	R 2,262,700.00	
Business All Risk	R 1,106,836.00	R 2,501.51
Generators / Pumps / Motors / Tools / Equipment	R 658,900.00	
Electronic Equipment	R 853,508.00	R 1,725.16
Office Contents	R 56,250.00	R 126.56
Accounts Receivable	R 500,000.00	R 47.92
Business Interruption	R 13,320,000.00	R 1,925.00
Theft (unspecified)	R 40,000.00	R 266.67
Money (cash, cheques etc.)	R 30,000.00	R 300.00
Glass	R 10,000.00	R 58.33
Fidelity	R 50,000.00	R 333.33
Goods in Transit	R 50,000.00	R 1,041.67
Accidental Damage	R 100,000.00	R 216.67
Public & Directors Liability	R 100,000,000.00	R 5,160.00
Extended Liability	R 40,000,000.00	R 900.00
Employers Liability	R 1,500,000.00	R 75.00
Group Personal Accident	R 650,000.00	R 267.38
Vehicles / Motorbikes / Trailers	R 527,180.00	R 3,752.80
Farming Equipment	R 85,000.00	
SASRIA	R 113,500,101.00	R 2,611.15
Fees		R 2,309.64
Broker Fee		R 100.00
TOTAL MONTHLY PREMIUM FOR MOUNT AMANZI		R 36,052.21

Broker: Bluecrystal Short Term Brokers CC
Underwriter: SANTAM

