



CHAMPAGNE LANE SHAREBLOCK LTD

MINUTES OF THE ANNUAL GENERAL MEETING **HELD AT ST. THOMAS' CHURCH, DURBAN, ON 26 AUGUST 2017, 10H00.**

1. Mr Adams welcomed all owners present, thanked them for their attendance at this year's AGM and then introduced the Board Members and management to all present.
2. Notice of meeting: Mr Adams advised that the notice had been sent out timeously and by approval of all present was noted as read by Mary-Ann Wanliss.
3. **PRESENT:** Mr Hedley Adams, (in the Chair),
Mr Tom Donnelly,
Mr Barry Garland,
Mr William Hatfield
Mr T Martin (Co-opted 2017)
Dr Brad Bricknell (Co-opted 2017)
Mr Glenn Wanliss. Mrs Mary-Ann Wanliss (Resort Management)

ATTENDEES: C Hatfield, W Hatfield , H Adams , T Martin ,B Bricknell, T. Donnelly, R Donnelly , I Cowan, R Krull, M Krull, J Taylor, S Taylor, M-A Wanliss, GMA Wanliss, T Cilliers, K Cilliers, A Napier , A Vander Spuy, V Vander Spuy, M Devine. P Foster, GE Watts, GF Watts, E Seymore, P Reeves, T Stubbs

PROXIES:

The Chairman: G Drummond, S Sinclair, L McNamara, J Voster, D Seager, C Watson, D Day, G Shepperson, C Watson, K Bolton, F Rauff, R Benians, G Pearce, MD Quintal, MA Vander Merwe, A Johnson, A Barnard, M & M Palmer, J Alborough, CF Hannington, K Kerrin.

William Hatfield: D Perry, S Robinson, O Collecott, S Bowness, M Van Biljon, P Lockwood, N Gove, E Duke, H Thiel.

Barry Garland: V Garland, C Robson,

Tom Donnelly: E Laubscher

Hedley Adams: Flexi Club

APOLOGIES: A Ashby, J Avidon, J Alborough, D Bird, K Bolton, R Benians, A Barnard, S Bowness, N Canty, O Collocott, J L Downard, D Day, G Drummond, E Duke, V Garland, M Greaves, N Gove, C Hannington, W Iverson, A Johnson, K Kerrin, D Laithwaite, M Lee, E Laubscher, P Lockwood, B Millican, HJ Millican, HJ Mingay, C

Muller, L MC Namara, G Pearce, P Prince, CP Mair, C Porter, D Perry, M & M Palmer, MD Quintal, D Rush, F Robert, S Robinson, F Rauff, C Robson, D Seager, G Shepperson, T Sims, H Thiel, M Thiel, M Van Biljon, J Vorster, MA Van Der Merwe, B Woodhouse, C Watson.

ESTABLISHMENT OF A QUORUM:

Mr Adams explained to all the owners that in terms of the Memorandum of Incorporation, that the required Quorum is now established at 1% of the owner base. The numbers represented via attendance and proxies exceeds the required 1% and the quorum was therefore established. Mr Adams also explained that MOI states that the meeting must be chaired by the Chairman of the Board.

APPOINTMENT OF CHAIRMAN:

William Hatfield proposed that Mr Adams should continue, proposal accepted

4. PRESENTATION OF MINUTES OF AGM OF 22 OCTOBER 2016

Mr Adams asked whether there were any amendments to be made to the minutes.

Mr Adams also explained that The Board are moving towards having the AGM earlier in each year and would aim to set the date for 2018 during June

No amendments to be made

Minutes adopted. Proposer Mr Trevor Martin seconded by Dr Brad Bricknell

5. MATTERS ARISING FROM THE MINUTES.

Mr Adams asked the floor whether there were any matters arising from the minutes.

With no matters arising Mr Adams continued with the agenda.

6. PRESENTATION OF CHAIRMANS REPORT

Mr Adams referred all present to the report as printed in the AGM pack. Mr Adams explained that he would not be reading the full report, but would be highlighting a few pertinent points at this meeting.

Mr Adams asked Glenn Wanliss to please go through the attached management report to highlight projects concluded during the year.

Glenn explained that management were happy with the achievements during 2016 with specific reference being made to the Debtor's book

He reminded everyone present of the 2015 balance of approximately R500 000 and compared that with the current balance of approximately R180 000.

This has an enormous effect on achieving targeted works and enables management to meet and manage the budget. Glenn extended his thanks on behalf of the Board and management to all owners as prompt payment benefits the entire shareholder base and staff.

General maintenance continues as scheduled, in the report management have listed some projects concluded too. Thatching of 3 chalets, with 2018 being just 3 and then all chalets have been completed. This means that thereafter capital will be available for the next stage of our program. Other smaller projects included in the management report. Glenn then explained the current collection and debtors policies as implemented during 2016.

He then explained the change in accounting practice; in the past we used to have our operating expenses reflected on the Income Statement, the surplus being carried to a Reserve Account and any capital projects were offset against that Reserve Account.

Accounting practice has been changed in that " all expenses must be processed via the

Income Statement “ , so even though we have budgeted for certain capital items , these will now reflect as an expense to the Income Statement, so on the face of it , it appears as though we ran at a deficit. This is not quite correct, for if the capital expenditure items are removed from the Income Statement we in fact operated at a surplus.

Mr Adams continued by adding that Champagne Lane have embarked on a 6 month social media marketing strategy to drive sales and rentals. This will be managed by an external consultant with a presence on Facebook, Instagram, Twitter and the webpage. Unit 14 (100% Flexiclub ownership) will be fully refurbished during May 2018.

Mr Adams then concluded by thanking the Board Members, Glenn, Mary-Ann and all staff for their passionate efforts.

7. PRESENTATION OF AUDITED FINANCIAL STATEMENTS, DIRECTOR’S REPORT, AUDITOR’S REPORT IRO THE 12 MONTH PERIOD ENDED 31 DECEMBER 2016.

The financial statements were audited by Baker Tilly Morrison and Murray Champagne Lane has a clear audit report

Mr Adams explained that Baker Tilly sent auditors to The Lane this year which saved a lot of time as compared with previous years

Statement of Financial Position (Balance sheet) reflects an accumulated surplus almost exactly the same as the previous year notwithstanding all the capital expenditure that took place during the year.

The inventory figures have increased slightly as a result of them being repossessed by the Company due to non receipt of levy payments. The intention is to actively market and sell these owned weeks.

The Statement of Comprehensive Income is a summary of the year’s activity which reflects a small deficit of R844.00

Cash Flow, illustrating the income and expenditure including major capital items, the Board has no concerns related to the income and expenditure

Cash in Bank, the larger majority of money is kept in a money market investment generating good interest earned.

No bad debt write-offs

Rental income has increased significantly during the last year

Interest earned has doubled as compared with last year

There being no further questions, Mr Adams asked for proposals to accept the financials **Mr H Thiel proposed and seconded by Mr B Bolton Financials for year ended December 2015 thereby accepted**

Question from the floor regarding training expenses, Glenn explained that the fees were for staff training – first aid

Eddie Seymour queried the register of owners wanting to swop dates/weeks. Barry Garland explained that the sales and rentals would be dealt with on the website, however if owners wanted to swap with each other, said swap still had to be done via the resort office.

The difficulties of recycling, being so isolated were discussed and the matter will be taken forward. Proposal from the floor was to perhaps include just one bin for aluminium cans at this stage to generate a little more revenue

There being no further questions Mr Adams asked for the proposal to accept the financials, proposed by Eddie Seymour and seconded by William Hatfield.

8. APPROVAL OF AUDITOR’S REMUNERATION

Mr Adams detailed that Baker Tilly have been the auditors to Champagne Lane for many years. He also pointed out that we have a very good relationship with Baker Tilly. All present approved the remuneration

9. APPOINTMENT OF AUDITORS FOR THE YEAR ENDING 31 DECEMBER 2017

Mr Adams stated that we now deal with a new partner and that their service for the most recent set of AFS was much improved. They also sent the auditors to the resort to undertake the audit and as a result he proposed that we retain their services. All present in agreement

10. TO DETERMINE THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR

At the present moment there are 6 Directors on the Board.

Question from the floor. Why 6 Directors?

Mr Hatfield explained that the original Articles of Association stipulated “between 6 and 9 “directors. Mr Adams explained that should there be a vote situation, that in terms of the Memorandum of Incorporation, the casting vote sits with the Chairman.

11. ELECTION OF DIRECTORS

In terms of the MOI this is a rotating board, so every 3 years the member is then up for election. Carol Robson and Hedley Adams retire by rotation. Hedley is available for re-election, Carol unfortunately is not as she has relocated to the Western Cape.

Mr Dave Perry gives notice and retires from the Board of Directors

Mr Hedley Adams was re-elected

Mr Trevor Martin and Dr Brad Bricknell (co-opted) during 2017 were elected to the Board

Mr Angus Napier was nominated and voted onto the Board of Directors.

With Mr Napier being elected the number of Directors for the next year will be 7

12. APPOINTMENT OF AUDIT COMMITTEE

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

13. APPROVAL OF DIRECTORS' REMUNERATION

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

14. GENERAL

Questions from the floor

Mr Graham Watts asked the Board if they could please consider changing the interior door handles from the round handle to a lever type handle which are so much easier to use

Glenn responded to say that they would all be changed during the coming year

Gwenda Watts asked if we could consider changing the swings at the playground so that the little children can use swings with back supports.

Gwenda also expressed her joy and happiness with her timeshare and thanks to all concerned for their efforts.

Dr Brad Bricknell queried whether the rental increases as discussed previously had been implemented. Glenn confirmed that they had been applied and were up for review again at the end of 2017

There being no further questions, Mr Adams thanked all present for their attendance and the interest shown in their resort.

There being no further business the meeting was closed at 10.40am

Confirmed

DATE:.....

.....

CHAIRMAN