



DURBAN SPA

Annual Report
Year ending 5 January 2024



DURBAN SPA BODY CORPORATE
ANNUAL REPORT FOR THE YEAR ENDED 5 JANUARY 2024

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DURBAN SPA BODY CORPORATE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Durban Spa Body Corporate will be held virtually on Microsoft Teams on **Tuesday 17 September 2024 at 11h00.**

In accordance with the Rules of the Body Corporate as registered at the Deeds Office, read in conjunction with the published Management Rules and in accordance with the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) (hereafter referred to as the "Act"), your attention is drawn to the following:

- (a) Each title (week) registered in your name entitles you to one vote.
- (b) Votes at a meeting may be cast either personally or by proxy, whether on a poll or on a show of hands.
- (c) A proxy shall be appointed in writing under the hand of the appointer, or his agent duly appointed in writing and shall be handed to the Chairman 72 hours before the start of the meeting. A proxy does not have to be an owner but shall not be the managing agent or any of his or her employees, or an employee of the Body Corporate.
- (d) Joint members:
 - (i) When two or more persons are entitled to exercise one vote jointly, that vote shall be exercised only by a person (who may or may not be one of them) jointly appointed by them as their proxy.
 - (ii) Notwithstanding sub rule (i), where two or more persons are entitled to exercise one vote jointly, any one of them may demand a poll.
- (e) Except in cases where a special resolution or unanimous resolution is required in terms of the Act, an owner is not entitled to vote at a general meeting unless any contribution payable, in terms of his title and his undivided share in the common property, have been paid. (Management Rule 64 (a))
- (f) Nominations by owners for the election of a trustee at any annual general meeting shall be given in writing, accompanied by the written consent of the person nominated so as to be received at the domicile of the Body Corporate, presently at 57 O R Tambo Parade, Durban 4001, 72 hours before the Annual General Meeting on the understanding that trustees are also capable of being elected by way of nominations with the consent of the nominee, given at the meeting itself should insufficient written nominations for the number of trustees as specified by virtue of the Rules, are received.
- (g) Where reference is made to Management Rules in these documents the Management Rules of the Durban Spa Body Corporate issued in terms of Section 35 (2) (a) of the Sectional Titles Act 1986 refer.

DURBAN SPA BODY CORPORATE

ANNUAL GENERAL MEETING OF MEMBERS – 17 SEPTEMBER 2024 AT 11:00

AGENDA OF BUSINESS AS PRESCRIBED IN TERMS OF RULE 17 OF THE MANAGEMENT RULES OF THE SECTIONAL TITLES MANAGEMENT ACT 2011 (ACT NO. 8 OF 2011) (hereafter referred to as the “Act”)

1. Welcome and Personalia.
2. Attendance Register, confirmation of proxies, nominees and other persons representing members.
3. Determination of a quorum.
4. Presentation to the meeting of proof of notice of the meeting or waiver of notice.
5. Approval of the Agenda.
Ordinary Resolution One
6. Approval of the minutes of the previous Annual General Meeting. **Ordinary Resolution Two**
7. Matters arising from previous Annual General Meeting, if any.
8. As the meeting is an Annual General Meeting.
 - (i) Report on the activities and decisions of the trustees since the previous Annual General Meeting.
 - (ii) Consideration of the annual financial statements for the year ended 5 January 2024. **Ordinary Resolution Three**
 - (iii) Approval of the replacement valuation of all buildings and improvements as obtained in accordance with Rule 23(3) of the Act **Ordinary Resolution Four**
 - (iv) Confirmation of the extent of the insurance cover obtained by the Body Corporate in terms of Rules 23(6), (7) and (8) of the Act.
Ordinary Resolution Five
 - (v) Approval of the budgets for the Administrative Fund and the Reserve Fund for the year ending 3 January 2025 and the budget for the year ending 2 January 2026.
Ordinary Resolution Six
 - (vi) Appointment of an auditor to audit the annual financial statements for the year ending 5 January 2024, and approve the remuneration for the past year. **Ordinary Resolution Seven**

Resolve to re-appoint PKF Durban, chartered accountants as the auditors of Durban Spa Body Corporate for the year ending 3 January 2025, and approve the remuneration for the past year.

- (vii) Determination of the **number of trustees to be elected to serve** during the next financial year.

Ordinary Resolution Eight

- (viii) Election of trustees.

Ordinary Resolution Nine

9. Report on the lodgement of any amendments to the scheme's rules adopted by the Body Corporate.

Note: There have been no amendments to the scheme's rules, and none have been lodged during the current financial year, as adopted by the body corporate under Section 10 of the Act.

10. New or further business.

- (i) Trustees' remuneration.

Special Resolution One

Resolved that the trustees are hereby authorised to pay trustee remuneration in accordance with the budget for the year ended 3 January 2025

- (ii) Property rates and taxes.

Ordinary Resolution Ten

Resolved that the trustees are hereby authorised to continue with the practice whereby Durban Spa Body Corporate "DSBC" pays property rates and taxes to the Municipality on behalf of members and recover such rates and taxes from members by increasing the annual levy.

11. Dissolution of the meeting.

NOTES TO THE AGENDA

- (a) Prescribed Management Rule 19(2)(b) of the Act, determines that a quorum at the upcoming Annual General Meeting ("AGM") is constituted by members entitled to vote and holding one third of the total votes of members in value. Section 6(5) of the Act states that a proxy may not act as a proxy for more than two members. If a quorum is not present at the date and time of the AGM, Prescribed Management Rule 19(4) determines that the meeting stands adjourned to the same day in the next week at the same place and time. If on the day to which the meeting is adjourned a quorum is not present within 30 minutes from the time appointed for the meeting, the members entitled to vote and present in person or by proxy constitute a quorum!!
- (b) Prescribed Management Rule 7(6) states that an elected or replacement trustee holds office until the end of the next AGM and is eligible for re-election, if properly nominated.
- (c) Prescribed Management Rule 8(2) states that unless so determined by special resolution, Trustees who are members are not entitled to any reward, whether monetary or otherwise, for their services as such. A special resolution as defined in the Act means a resolution passed by at least 75% calculated in value and in number, of the votes of the members of the Durban Spa Body Corporate who are represented at the AGM.

DURBAN SPA BODY CORPORATE

VIRTUAL ANNUAL GENERAL MEETING (vAGM)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE DURBAN SPA BODY CORPORATE HELD VIRTUALLY ON THURSDAY 26 SEPTEMBER 2023 AT 11H00 AT FRONTLINE LEISURE MANAGEMENT OFFICES IN DURBAN. THESE MINUTES WILL BE CONSIDERED FOR ADOPTION AT THE ANNUAL GENERAL MEETING IN 2022

AGENDA ITEM 1

APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The draft minutes of the Annual General Meeting held on 26th September 2023, which had been circulated in the meeting packs, were tabled and taken as read.

ORDINARY RESOLUTION 2: ACCEPTANCE OF MINUTES OF AGM

THAT the minutes of the Annual General Meeting held on 26th of September 2023 be accepted as a true record of the proceedings.

The resolution was unanimously approved.

WELCOME AND PERSONALIA:

The Chairman welcomed those present to the Annual General Meeting ("AGM") for the financial year ended 5th January 2024.

He then introduced the Board of Trustees, representatives of Frontline Resort Management and the resort management.

ATTENDANCE REGISTER, CONFIRMATION OF PROXIES, NOMINEES AND OTHER PERSONS REPRESENTING MEMBERS:

The Managing Agent noted that the attendance register, confirmation of proxies, nominations and persons representing them were determined for the meeting. All valid proxies and nomination forms are available on request.

A total of 17 valid proxies held by various parties were confirmed. These proxies represented 2048 weeks with a participation quota of 19.3254. A total of 5 attendees were confirmed, representing 14 weeks with a participation quota of 0.1536.

Those in attendance in person, represented or by way of proxy, represented a participation quota of 19.479.

DETERMINATION OF A QUORUM:

The total participation quota of members presents, in person and by proxy was determined as 19.479 of the total Participation Quota of 51.7600 representing 38% of the members by value.

The Sectional Titles Schemes Management Act ("Act") sets the quorum for an Annual General Meeting at 33.33% in value and as this was reached the Chairperson declared the meeting properly constituted.

PRESENTATION TO THE MEETING OF PROOF OF THE NOTICE OF THE MEETING OR WAIVER OF NOTICE

The Managing Agent confirmed that the notice of the meeting was sent to all members on the 26th of August 2023, i.e., at least 30 days prior to the meeting as required by the Act. The meeting accepted the confirmation.

5. APPROVAL OF THE AGENDA

The Chairman noted that no request was received for new or further business to be discussed.

ORDINARY RESOLUTION 1: ACCEPTANCE OF THE AGENDA

THAT the AGENDA as presented be accepted.

The resolution was unanimously approved.

6. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The draft minutes of the Annual General Meeting held on 15th September 2022, which had been circulated in the meeting packs, were tabled and taken as read.

ORDINARY RESOLUTION 2: ACCEPTANCE OF MINUTES OF AGM

THAT the minutes of the Annual General Meeting held on 15th of September 2022 be accepted as a true record of the proceedings.

The resolution was unanimously approved.

7. MATTERS ARISING FROM PREVIOUS ANNUAL GENERAL MEETING, IF ANY

The Chairman confirmed that there had been no matters arising.

8. REPORT ON THE ACTIVITIES AND DECISIONS OF THE TRUSTEES SINCE THE PREVIOUS ANNUAL GENERAL MEETING

The Chairman drew attention to the Trustees report included in the pack and highlighted the following points.

The Challenging times faced by the Tourism Industry during the past two years has been in many ways immeasurable, but what has been uplifting is the manner that the team has adjusted to these challenges and converted them into opportunities to benefit Durban Spa.

Our Affiliation with iExchange' ensured that we obtained excellent results on our rentals. Guest feedback and Occupancy rates are closely monitored by all parties, with the best outcome for, you, the owner.

With regard to the financials the Chairman noted the he is pleased to report that the Administrative Fund which in the previous year was in a negative is now in a positive and even better than what was budgeted for. The question on whether Durban Spa is a going concern has not risen by our auditors. The property and the resort are moving in the right direction from a financial point of view.

Levy Income has increased by 13% when compared to the previous year.

The Reserve fund compliance requirement is that 25% of the total levy be retained. With the Reserve Fund closing at 36% of the levy income being retained the resort complies with this requirement.

Interest earned on investments increased by 16.51%. This is due to a drastic increase in interest rates compared to the previous year.

Specialists in their field, Beekman Rentals had been hired to assist owners and Durban Spa in renting out their units. For the period 7th of January 2022 to the 6th of January 2023, they have brought in R2 773 475.00.

In closing, the Chairman commended the management team at the resort for their excellent work done in regard to Guest Feedback, Occupancy and Improving debt collections. He further thanked the managing agent Frontline Leisure Management and the Trustees for their support.

9. CONSIDERATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 06 JANUARY 2023:

The Audited Annual Financial Statements for Durban Spa Body Corporate for the year ended 6 January 2023 were presented .

The Auditor B VanDyk stated that it was pleasing to note that the Administrative Fund showed movement in the right direction.

The Chairman then called for approval on the Annual Financial Statements.

ORDINARY RESOLUTION 3: ACCEPTANCE OF ANNUAL FINANCIAL STATEMENTS

THAT the annual financial statements for the year ended 6th January 2023 be approved and accepted.

The resolution was unanimously approved.

10. APPROVAL OF THE REPLACEMENT VALUATION OF ALL BUILDING AND IMPROVEMENTS AS OBTAINED IN ACCORDANCE WITH RULE 23(3) OF THE ACT.

An evaluation was done by Dick Skinner in November 2022 and the property was valued at R224 280 000. A re-evaluation will need to be done before the next AGM as per sectional title requirements within a Body Corporate.

ORDINARY RESOLUTION 4: ACCEPTANCE OF THE REPLACEMENT VALUATION

THAT the replacement valuation of all buildings and improvements for the year ended 6th January 2023 be approved and accepted.

The resolution was unanimously approved.

11. CONFIRMATION OF THE EXTENT OF THE INSURANCE COVER OBTAINED BY THE BODY CORPORATE IN TERMS OF RULES 23(6), (7) AND (8) OF THE ACT.

The matter was discussed and it was agreed that the insurance cover for the DSBC was sufficient.

ORDINARY RESOLUTION 5: ACCEPTANCE OF INSURANCE COVER

THAT the insurance cover for the year ended 6th January 2023 be approved and accepted.

The resolution was unanimously approved.

12. APPROVAL OF THE BUDGETS FOR THE ADMINISTRATIVE FUND AND THE RESERVE FUND FOR THE NEXT YEAR:

The Chairman presented the Administrative Fund and Reserve Fund budget for the year ending 3 January 2025. It was noted that the Administrative Fund levy increase was 8%.

ORDINARY RESOLUTION 6: APPROVAL OF THE BUDGETS

THAT the Administrative Fund and Reserve Fund budget for the year ending 3 January 2025 be approved and accepted.

The resolution was unanimously approved.

13. APPOINTMENT OF AUDITORS AND APPROVAL OF THE AUDITOR'S REMUNERATION:

The Chairman recommended the reappointment of the auditors, PKF Durban.

ORDINARY RESOLUTION 7: APPOINTMENT OF AUDITORS AND APPROVAL OF THE

AUDITOR'S REMUNERATION

THAT PKF Durban be and are hereby appointed as auditors, to hold office until the conclusion of the next annual general meeting and that the auditor's remuneration be approved.

The resolution was unanimously approved.

14. DETERMINATION OF THE NUMBER OF TRUSTEES TO BE ELECTED TO SERVE DURING THE NEXT FINANCIAL YEAR

The Chairman confirmed that the Prescribed Rules of the Body Corporate stated that there should be no less than 3 and no more than 10 trustees within a board.

ORDINARY RESOLUTION 8: DETERMINATION OF THE NUMBER OF TRUSTEES

THAT the number of trustees to hold office for the next financial year be five.

The resolution was unanimously approved.

15. ELECTION OF TRUSTEES:

The Chairman confirmed that nominations had been received for D Viljoen, B Levy, RT dos Santos, GD Cooke and C Wright.

ORDINARY RESOLUTION 9: APPOINTMENT OF TRUSTEES

THAT D Viljoen, B Levy, RT dos Santos, GD Cooke and C Wright be elected as trustees for the next financial year.

The resolution was unanimously approved.

16. REPORT ON THE LODGEMENT OF ANY AMENDMENTS TO THE SCHEME RULES ADOPTED BY THE BODY CORPORATE.

The Chairman confirmed that there had been no new amendments to the scheme's rules and none had been lodged during the current financial year, as adopted by the Body Corporate under section 10 of the Act.

17. TRUSTEES REMUNERATION

The Chairman noted that trustees' remuneration be approved as per the approved budget.

SPECIAL RESOLUTION 1: TO APPROVE TRUSTEES REMUNERATION

THAT the trustees are hereby authorised to pay trustees remuneration in accordance with the approved budgets.

The resolution was unanimously approved.

18. PROPERTY RATE AND TAXES:

ORDINARY RESOLUTION 10: PROPERTY RATES AND TAXES

THAT the trustees are hereby authorized to continue with the practice whereby Durban Spa Body Corporate pays property rates and taxes to the Municipality on behalf of member's and recover such rates and taxes from members by increasing the annual levy.

The resolution was unanimously approved.

19. GENERAL:

The chair opened the floor for questions:

20. CLOSURE:

The Chairman thanked all attendees, owners, proxy holders and the management for their attendance. He also thanked Ms. N Brennan, the onsite team and the managing agents for their hard work over the past year.

The Chairman and the board expressed their gratitude to C Basson and D McKillop for their service to the board .

There being no further business the meeting was declared closed at 12h05.

SIGNED AS A CORRECT RECORD

CHAIRMAN

DATE

MATTERS ARISING FROM PREVIOUS ANNUAL GENERAL MEETING, IF ANY

NOTE:

PLEASE NOTE THAT THESE MINUTES WILL BE PRESENTED TO THE 2024 ANNUAL GENERAL MEETING FOR CONSIDERATION AND APPROVAL. THE FINAL MINUTES, AS APPROVED BY THE 2024 VIRTUAL ANNUAL GENERAL MEETING, WILL THEN BE SIGNED BY THE NEWLY APPOINTED CHAIRPERSON.

DURBAN SPA BODY CORPORATE

TRUSTEES REPORT TO MEMBERS FOR THE YEAR ENDED 5 JANUARY 2024

Dear Durban Spa Owners

It is a privilege to share the Chairman's Report for the previous year. As the Chairman of Durban Spa Body Corporate, I appreciate the opportunity to guide the Board and the confidence you have shown in us. I want to emphasize that we take this responsibility to heart and are dedicated to the success of Durban Spa Body Corporate.

First and foremost, I want to recognize the difficulties we encountered in 2024, stemming from the downturn in the economy and political instability. The repercussions of these issues have influenced consumer behaviour and spending trends. Nevertheless, we have shown resilience and taken proactive steps to adjust to these evolving conditions.

I also want to take this moment to extend our heartfelt thanks to each of you, our owners, for your steadfast support. Your ongoing trust and dedication to Durban Spa Body Corporate are crucial to our continued success. Your feedback and involvement have played a key role in shaping our strategies and enhancing our services.

As we look to the future, we recognize the significance of innovation and staying at the forefront of industry trends. We are dedicated to investing in research and development to improve our resort's offerings and ensure that we consistently exceed your expectations. Additionally, we will continue to prioritize customer satisfaction and aim to provide outstanding service at every interaction.

Maintaining financial stability and responsible management remains essential for us. We will carefully manage our expenses and seek opportunities to enhance profitability while upholding our commitment to delivering value to our owners.

Our partnership with Beekman Rentals has been instrumental in navigating a challenging economic climate for rentals. We closely monitor guest feedback and occupancy rates, ensuring that the best outcomes are achieved for you, our valued owner.

2023/24 FINANCIAL REVIEW

The audited financial statements for the year ended 5 January 2024 set out in detail the financial results of Durban Spa Body Corporate.

Administrative Fund

The following is a summary of the results reflected in the Administrative Fund levy income statement:

	Actual (R)	Prior Year (R)
Operating surplus (shortfall) before interest	(689 127)	(793 978)
Interest on investments and debtors	1 888 353	1 354 398
Surplus/(Deficit)	1 199 226	560 420
Income tax expense	370 222	279 654
Surplus/(Deficit) after income tax	829 004	280 766

In comparison to the previous year:

- Rental income from section 76 increased by 30%.
- Interest generated from investments grew by 28%, largely due to a significant rise in interest rates compared to the prior year.
- Total expenses saw an increase of 8%. This total includes a shortfall of R2,449,717 related to weeks rented by the Body Corporate.

During the audit, the allocation for irrecoverable levy debtors was re-evaluated. The calculation for Bad Debts amounted to R2,971,424.

The Administrative Levy Fund concluded with a total surplus of R 829,004, marking a significant improvement compared to the prior year.

Reserve Fund

The following is a summary of the results in the Reserve Fund income statement:

	Actual (R)	Prior Year (R)
Opening balance at beginning of year	9 025 247	10 506 195
Levies allocated	3 060 504	2 900 146
Net interest received (capitalized)	631 340	488 551
Sale of furniture		<u>3 651</u>
	12 717 091	13 898 543
Less: amounts utilized for maintenance, repair,		
Replacements and refurbishment	(4 003 889)	(4 873 296)
Closing balance at year end	8 713 201	9 025 247

Reserve Fund balance as a % of the Administrative Fund	33. %	36.44%
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Levy income for the year # Min set by the STSM Act is 25%

The Reserve Fund closed at 33 % of the Administration fund levy income for the year, which is impressive considering the amount of replacement and refurbishments done at Durban Spa during the year of reporting.

Occupancies

For the 2023/24 period, occupancy rates were significantly impacted by the economic conditions, flooding, beach closures, and flight restrictions. Owner occupancy dropped to 62%, down from 71% the previous year, reflecting a decrease of 9%.

CLEANING & LAUNDRY:

With energy reduction and cost savings as a priority. We applied this to our cleaning strategy and implemented an off-peak night shift cleaning team. The automated cleaning takes place at night where possible and was rolled out to our onsite laundry too.

We changed from a flat rate Municipal tariff charged to an on and off-peak time tariff.

FIRE & SAFETY COMPLIANCE:

The tank installed for the water pressure supplied to the Sprinkler system was signed off by the Fire Engineer and Municipal certification achieved.

MAINTENANCE, REPAIRS AND REPLACEMENTS 2023/24

The following projects were completed during the year under review:

1. Replaced appliances replaced floors 10-14.
2. Replaced keycard door locks floors 5 - 10.
3. Upholstering of couches floors 9 -14.
4. Replaced block out curtains' floors 5 - 14.
5. Replaced main curtains floors 5 - 9.
7. Windows replaced 14TH floor with energy saving double glazed sound reduction glass

STAFFING

The General Manager is responsible for the day-to-day management of the Durban Spa Resort and reports directly to the Managing Agent.

The total personnel reduced from 24 to 22 members, of whom 10 are male and 12 are female. Durban Spa adheres to the principles of the Employment Equity Act with a staffing made up of 54% of African staff population group, 23% are Indian, 14% are White and 9% Coloured.

In addition to the 22 staff members, we have a compliment of contract cleaning and security staff.

MANAGING AGENT

Frontline Leisure Management continue to provide excellent support to the Board and onsite management and staff at Durban Spa

SAFETY, SECURITY, IT AND CLEANING SERVICES

External sub-contractors handle the cleaning, security, pest control and IT services for The Durban Spa Resort.

BUDGET 2024/2025

The budget for 2025/2026 has been developed with careful attention to the economic circumstances of our owners, while also addressing the needs necessary for the continuous enhancement and sustainability of Durban Spa. The Board has worked diligently to minimize the levy increase, resulting in a final administrative fund increase of 6.5%.

COLLECTION OF ARREAR DEBTORS 2024/2025

Collection of arrear debtors with Procol being mandated to assist with the collection of aged Debtors we are delighted to report that they have collected an amount of R876 026, this being for period 6th of January 2023 to the 5th of January 2024. The main objective of this project being to get aged Debtors resolved and clearing out debt but simultaneously finding a new owner on distressed ownership to ensure that Durban Spa is always moving forward into a better position.

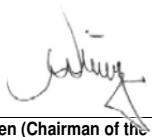
BEEKMAN HOLIDAY RENTALS

The Board has looked at Durban Spa holistically and in doing that found the need for a dedicated rental company, hence entering into an agreement with Beekman Holidays to handle the rental programme. The highly trained team have produced excellent results in extremely challenging circumstances by securing rentals to the value of R 1 657 089 from 6th January 2023 to the 5th of January 2024. Judging the results for just a six-month period, the Board anticipates greater dividends on the rentals for the current year.

On behalf of the Durban Spa Board, I want to express our heartfelt appreciation for your ongoing support and dedication to our resort. We understand the difficulties we've encountered, and we are grateful for your efforts in fulfilling your levy obligations. Your contributions have been essential in maintaining the success of Durban Spa.

I also wish to extend my sincere thanks to my fellow Board members, the committed onsite team led by Nicolene Brennan, and our managing agents. Their enthusiasm, dedication, and unwavering commitment to serving our owners and guests have been key to the resort's success. It has truly been a pleasure collaborating with this remarkable team.

In closing, I wish you all safe travels and good health. Your continued support and cooperation are crucial to the ongoing success of Durban Spa. If you have any concerns or suggestions, please feel free to contact us. We are here to assist you and ensure your experience at our resort is outstanding.



D P Viljoen (Chairman of the Board of Trustees)

DURBAN SPA BODY CORPORATE

Annual Financial Statements as at 5 January 2024

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These Annual Financial Statements were externally compiled by Mr GF v L Froneman CA (SA) RA

Middel & Partners



Gabriel Francois van Lingen Froneman
Middel & Partners
Chartered Accountants (SA)
Registered Auditors

DURBAN SPA BODY CORPORATE

Trustees' responsibilities and approval of the financial statements for the year ended 5 January 2024

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate as at the end of the financial year and the results of its operations and cash flow for the period then ended, in conformity with the basis of accounting as described in note 1 to the annual financial statements. The external auditor's are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with the basis of accounting as detailed in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

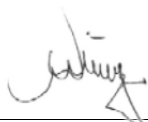
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the body corporate's cash flow forecast for the year to 1 January 2025 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

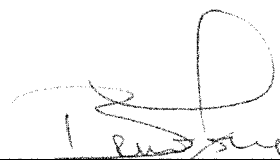
Although the trustees are primarily responsible for the financial affairs of the body corporate, they are supported by the body corporate's external auditors.

The external auditor's are responsible for independently auditing and reporting on the body corporate's annual financial statements. The annual financial statements have been examined by the body corporate's external auditor's and their report is presented on pages 11 and 12.

The annual financial statements set out on pages 13 to 24, which have been prepared on the going concern basis, were approved by the board of trustees on 26 March 2024 and were signed on its behalf by:



D P Viljoen (Chairman of the Board of Trustees)



Bruce Roland Levy (Trustee)

DURBAN SPA BODY CORPORATE

STATEMENT OF FINANCIAL POSITION AS AT 5 JANUARY 2024

	<u>Notes</u>	<u>2024</u> <u>R</u>	<u>2023</u> <u>R</u>
ASSETS			
NON- CURRENT ASSETS		590,001	590,001
Investment property	2	590,000	590,000
Property, plant and equipment	3	1	1
CURRENT ASSETS		31,623,546	30,293,038
Income tax	23	0	125,180
Amounts receivable and prepayments	4	5,330,934	6,060,607
Cash and cash equivalents	5	26,292,612	24,107,251
		<u>32,213,547</u>	<u>30,883,039</u>
RESERVES AND LIABILITIES			
RESERVE FUND	6	8,713,201	9,025,247
ADMINISTRATIVE FUND		2,769,581	1,628,530
INVESTMENT PROPERTY RESERVE		590,000	590,000
ADMINISTRATIVE FUND		2,179,581	1,038,530
TOTAL RESERVES		<u>11,482,782</u>	<u>10,653,777</u>
CURRENT LIABILITIES		20,730,765	20,229,262
Amounts payable	7	4,712,468	5,172,078
Income tax - payable	23	244,978	0
Amounts received in advance		15,773,319	15,057,184
		<u>32,213,547</u>	<u>30,883,039</u>

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DURBAN SPA BODY CORPORATE

LEVY INCOME STATEMENT FOR THE YEAR ENDED 5 JANUARY 2024

	<u>Notes</u>	<u>2024</u> <u>R</u>	<u>2023</u> <u>R</u>
INCOME		30,931,350	28,242,570
Levies - Administrative fund	8	27,120,456	24,766,557
Levies - Reserve fund	8	3,060,504	2,900,146
Net Rental - section 76	9	349,193	245,841
Laundromat		21,361	27,617
Sundry income		37,287	12,681
Bad debts recovered		342,549	286,077
Sale of furniture		0	3,651
LESS : EXPENSES		31,620,477	29,036,548
Administration expenses	10	3,091,182	3,013,874
Bad debts		2,971,424	369,807
Insurances		298,900	227,299
Levy shortfall Spacom weeks		2,449,717	2,920,784
Management fee		2,159,965	1,839,512
Rates, taxes, refuse removal and sewer	11	444,437	417,414
Electricity	12	3,432,612	3,309,229
Maintenance and repairs	13	942,616	834,611
Remuneration	14	7,207,990	6,956,227
Replacement and refurbishment costs		3,813,350	4,727,509
Managing agents remuneration on capital expenditure		190,540	145,787
Travel and accommodation	15	11,909	31,338
Cleaning services	16	3,359,863	3,197,777
Water usage		1,245,972	1,045,380
SURPLUS (DEFICIT)		(689,127)	(793,978)
Interest received	17	1,888,353	1,354,398
OPERATING SURPLUS (DEFICIT)		1,199,226	560,420
Income tax for the year	18	370,222	279,654
SURPLUS (DEFICIT) AFTER TAX		829,004	280,766

DURBAN SPA BODY CORPORATE

STATEMENT OF CHANGES TO RESERVES FOR THE YEAR ENDED 5 JANUARY 2024

	<u>RESERVE FUND</u>	<u>NON-DISTRIBUTABLE RESERVE - ADMINISTRATIVE FUND</u>	<u>ADMINISTRATIVE FUND</u>	<u>TOTAL RESERVES</u>
	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>
Balance as at 7 January 2022	10,506,195	582,020	(715,203)	10,373,012
Surplus after tax	0	0	280 766	280 766
Transfer to Reserve fund - Levies	2,900,146	0	0	2,900,146
Transfer to Reserve fund - Interest less taxation	488,551	0	0	488,551
Transfer to Reserve fund - Replacement and refurbishment costs less sale of furniture	(4,723,858)	0	0	(4,723,858)
Transfer to Reserve fund - Management agents remuneration on capital expenditure	(145,787)	0	0	(145,787)
Transfer to the Administrative Fund	0	0	1,480,947	1,480,947
Transfer to the Administrative Fund - Initial cost of Investment Property	0	7,980	(7,980)	0
Balance as at 6 January 2023	9,025,247	590,000	1,038,530	10,653,777
Surplus after tax	0	0	829 004	829 004
Transfer to Reserve fund - Levies	3,060,504	0	0	3 060 504
Transfer to Reserve fund - Interest less taxation	631,340	0	0	631 340
Transfer to Reserve fund - Replacement and refurbishment costs less sale of furniture	(3,813,350)	0	0	(3 813 350)
Transfer to Reserve fund - Management agents remuneration on capital expenditure	(190,540)	0	0	(190 540)
Transfer to the Administrative Fund	0	0	312,046	312,046
Balance as at 5 January 2024	8,713,201	590,000	2,179,581	11,482,781

DURBAN SPA BODY CORPORATE

ACCOUNTING POLICIES FOR THE YEAR ENDED 5 JANUARY 2024 (CONTINUED)

1.4 FINANCIAL INSTRUMENTS

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include amounts receivable and amounts payable. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 NON-DISTRIBUTABLE RESERVE

The revaluation surpluses or shortages that arise with the fair value adjustments are transferred to the non-distributable reserves.

1.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits held on call with banks. These are reflected in the statement of financial position and the statement of cash flow at cost.

1.7 TAX

Current tax assets and liabilities

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

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

The body corporate is taxed in terms of Section 10 (1) (e) of the Income Tax Act.

1.8 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases - lessor

Finance lease receivables are measured at an amount equal to the net investment in the lease. Finance income is recognised using the effective interest method.

Operating leases - lessor

Operating lease income is recognised as and when it falls due within the lease term.

1.9 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

DURBAN SPA BODY CORPORATE

ACCOUNTING POLICIES FOR THE YEAR ENDED 5 JANUARY 2024 (CONTINUED)

1.10 REVENUE RECOGNITION

Revenue is stated exclusive of value-added tax. Levies are measured at the fair value of the consideration received or receivable when the right to occupation arises. Interest is recognised, in the statement of comprehensive income, using the effective interest rate method.

1.11 PROVISIONS

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

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

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.12 FINANCIAL RISK MANAGEMENT

Capital risk management

The body corporate's objectives when managing capital is to safeguard the body corporate's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the body corporate consists of cash and cash equivalents disclosed in note 5 and reserves as disclosed in the statement of financial position. All costs associated with the maintenance of the Resort, including the refurbishment of the property, replacements of movable property, plant and equipment, are financed out of annual levies from members.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash resources. The body corporate's risk relating to liquidity is a result of the funds available to cover future commitments. The body corporate manages liquidity risk through an on-going review of future commitments. Cash flow forecasts are prepared and cash resources are monitored. In terms of the use agreement entered into between the members and the body corporate, the members are obliged to contribute levies sufficient to cover the costs of the maintenance, upkeep and management of the Resort.

In order to manage the liquidity requirements of the body corporate, a rolling 10 year maintenance, repair and replacement plan is maintained and reviewed regularly by the Trustees. This plan provides for the planned refurbishment, maintenance, repair and replacement of the Resort property and for the transfer of annual levies to establish adequate reserves to be available when such work must be undertaken.

Interest rate risk

As the body corporate has significant interest-bearing assets, the body corporate's income and operating cash flow are substantially dependent on changes in market interest rates. The body corporate analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated and based on these scenarios, the body corporate calculates the impact on the income of a defined interest rate shift.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The body corporate only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The body corporate's income and cash flow exposure is dependent on members with significant holdings in timeshare weeks and the stability of the tenants of section 76.

DURBAN SPA BODY CORPORATE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 JANUARY 2024

	<u>2024</u> <u>R</u>	<u>2023</u> <u>R</u>
2 INVESTMENT PROPERTY	<u>590,000</u>	<u>590,000</u>
Section 1 - at cost	100	100
Costs capitalized to 3 January 2003	1,345	1,345
Balance as at 5 January 2024	<u>1,445</u>	<u>1,445</u>
Section 76 - at cost	5,000	5,000
Costs capitalized to 3 January 2003	1,535	1,535
Revaluation - previous years	1,962,020	1,962,020
Revaluation - adjustment 2021	(1 380 000)	(1,380,000)
Balance as at 5 January 2024	<u>588,555</u>	<u>588,555</u>
3 PROPERTY, PLANT AND EQUIPMENT		
Catering equipment - Cost	72,700	72,700
Catering equipment - Accumulated depreciation	72,699	72,699
Catering equipment - Carrying value	<u>1</u>	<u>1</u>
Reconciliation of property, plant and equipment		
Catering equipment - Opening balance	72,700	72 700
Catering equipment - Depreciation	72,699	72 699
Catering equipment - Closing balance	<u>1</u>	<u>1</u>
4 AMOUNTS RECEIVABLE AND PREPAYMENTS		
Levies from members & Rental - due at year-end	13,366,396	15,072,112
Less : Provision for non recovery on levies	(9,956,073)	(10,931,677)
Pre-payments & Other receivables	1,920,611	1,920,172
	<u>5,330,934</u>	<u>6,060,607</u>
Summary by ageing of levies due by members :		
Current (0 - 30 days)	64,207	30,187
31 - 60 days	60,043	29,393
61 - 90 days	51,203	75,354
Other : 90 - 365 days	19,000	0
Jayde Promotional : 90 -365 days	0	147,842
+ 365 days	13,171,943	14,789,336
	<u>13,366,396</u>	<u>15,072,112</u>

The above amount due by members of R 13 289 320 represents 789 owners (2023 : 603 owners)

DURBAN SPA BODY CORPORATE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 JANUARY 2024 (CONTINUED)

	<u>2024</u>	<u>2023</u>
	<u>R</u>	<u>R</u>
5 CASH AND CASH EQUIVALENTS		
Bank	2,287,426	1,529,914
Deposits - Short-term	19,782,416	22,554,567
Deposits - Long-term	4,200,000	0
Cash on hand	22,770	22,770
	<u>26,292,612</u>	<u>24,107,251</u>
Attributable to :		
Administrative Fund	17,092,612	13,907,251
Reserve Fund	9,200,000	10,200,000
	<u>26,292,612</u>	<u>24,107,251</u>

A guarantee of R274 999 has been issued by Absa Bank in favour of the Ethekwini Municipality for municipal services to be rendered, secured by the investments at the bank.

6 RESERVE FUND

Balance as at 6 January 2023	9,025,247	10,506,195
Amounts levied on members	3,060,504	2,900,146
Net interest received (capitalised)	631,340	488,551
Sale of furniture	0	3,651
	<u>12,717,091</u>	<u>13,898,543</u>
Less: Amounts utilized for Maintenance, Repair and Replacements	4,003,889	4,873,296
Apartments: replacement of soft furnishings	611,381	542,917
Apartments: replacement / refurbishment of hard furnishings	1,289,328	91,530
Architecture: replacing sliding doors and windows	842,066	558,502
External paintwork	-0	629,047
Electrical	353,685	18,029
Plaza level	60,043	47,686
Airconditioning: chillers and pumps	373,177	196,036
Structural: Replacement of rusted/damaged louvres	0	16,886
Fire prevention	-0	2,478,764
Heat pumps	11,111	86,226
Sundries	463,098	207,674
Balance as per statement of financial position	<u>8,713,201</u>	<u>9,025,247</u>

The trustees have reviewed the maintenance, repair and replacement plan ("Plan") that was prepared as required by management rule 22, adopted in terms of the Sectional Titles Schemes Management Regulations 2016. In accordance with the Plan the trustees have approved maintenance, repair, replacement and refurbishment expenditure of R3 188 412 for 2025 (2024: R2 903 733)

After accounting for the amounts of levy income earmarked to be transferred to the Reserve Fund during 2025, the balance of the Reserve Fund is anticipated to decrease by R 801,744 (2024 : (R 1,670,108))

RESERVE FUND - MAJOR CAPITAL ITEMS

	<u>% of accrued estimated cost</u>	<u>2024</u>	<u>% of accrued estimated cost</u>	<u>2023</u>
APARTMENTS - SOFTS	18%	541,980	35%	1,012,395
APARTMENTS - HARDS	23%	2,859,826	20%	2,340,666
EQUIPMENT	21%	441,985	18%	356,980
ARCHITECTURAL	15%	1,701,731	21%	1,982,529
AIR-CONDITIONING	2%	226,217	5%	494,572
SWIMMING POOL, HEAT PUMPS AND GEYSERS	17%	284,389	16%	263,963
LIFTS	31%	1,339,390	15%	1,187,714
CIVILS : PARKING LEVELS AND SPALLING	7%	105,038	7%	99,371
ELECTRICAL	28%	160,324	5%	26,596
FIRE PREVENTION	0%	11,299	0%	2

STRUCTURAL / PYLON / LOUVRES	43%	416,739	45%	413,810
WET SERVICES / WATER STORAGE TANKS	13%	307,269	15%	322,097
SUNDRIES	2%	11,208	33%	214,694
GENERATOR	14%	97,724	14%	90,879
Wifi	0%	0		
PROFESSIONAL FEES	23%	<u>208,082</u>	26%	<u>218,979</u>
		<u>8,713,201</u>		<u>9,025,247</u>
Reserve fund balance as a % of Administrative Fund levy income for the year #		32.13%		36.44%

Based on the assumptions, forecasts and projections of the Plan, the balance of the Reserve Fund will be adequate to cover the cost when the above capital items become due for replacement or repair.

DURBAN SPA BODY CORPORATE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 JANUARY 2024 (CONTINUED)

	<u>2024</u> <u>R</u>	<u>2023</u> <u>R</u>
11 RATES, TAXES, REFUSE REMOVAL AND SEWER	<u>444,437</u>	<u>417,414</u>
Rates and taxes	8,896	8,825
Refuse removal	116,103	107,004
Sewer	<u>319,438</u>	<u>301,585</u>
12 ELECTRICITY	<u>3,432,612</u>	<u>3,309,229</u>
Common property	2,460,170	2,498,749
Heating : Spa pool	395,426	303,828
Apartments	<u>577,016</u>	<u>506,652</u>
13 MAINTENANCE AND REPAIRS	<u>942,616</u>	<u>834,611</u>
Common property	328,390	224,361
Lifts - service contract and general	91,469	86,728
Air-conditioning - service contract	73,312	48,382
Plants and decorations	21,368	21,816
TV maintenance	10,333	13,300
Spa area	56,817	35,112
Apartments	230,019	274,932
Pest control	<u>130,908</u>	<u>129,980</u>
14 REMUNERATION	<u>7,207,990</u>	<u>6,956,227</u>
Trustee Remuneration	307,112	276,677
Salaries and related costs	6,365,852	6,130,808
Security guards	<u>535,026</u>	<u>548,742</u>
15 TRAVEL AND ACCOMMODATION	<u>11,909</u>	<u>31,338</u>
Guest entertainment	1,755	2,614
Travelling expenses and allowances	3,738	20,113
Accommodation expenses	0	2,270
Transport	<u>6,416</u>	<u>6,341</u>
16 CLEANING SERVICES	<u>3,359,863</u>	<u>3,197,777</u>
Cleaning materials	54,622	40,291
Laundry	123,145	110,203
Guest supplies	204,349	206,928
Cleaning services	<u>2,977,747</u>	<u>2,840,355</u>
17 INTEREST RECEIVED	<u>1,888,353</u>	<u>1,354,398</u>
On short-term investments	1,576,649	1,058,503
Interest on arrears from members	305,246	295,896
Other interest income	<u>6,458</u>	<u>0</u>
Attributable to :		
Administrative Fund	1,082,735	745,486
Reserve Fund	<u>805,618</u>	<u>608,912</u>
	<u>1,888,353</u>	<u>1,354,398</u>

DURBAN SPA BODY CORPORATE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 JANUARY 2024 (CONTINUED)

	<u>2024</u> <u>R</u>	<u>2023</u> <u>R</u>
18 TAXATION		
Current tax	370,222	279,654
Current tax charge	370,222	259,768
Taxation charges for prior years	0	15,639
Interest and penalties to Sars for 2022 year	0	4,247
	<u>370,222</u>	<u>279,654</u>
Provision is made for Income tax at 27% on the non-levy income.		
No tax is payable on levy income from the members in terms of Section 10(1)e of the Income Tax Act.		
A reconciliation of the taxation charge is not considered appropriate as body corporate's are liable for taxation only on their net non-levy income.		
19 AUDITOR'S REMUNERATION AND EXPENSES	<u>180,552</u>	<u>171,960</u>
20 CASH RECEIVED FROM MEMBERS AND SUNDRIES		
Income from Levy income statement	30,931,350	28,242,570
Amounts receivable and amounts received in advance at beginning of the year	(8,996,577)	(9,581,400)
Amounts receivable and amounts received in advance at the end of the year	10,442,385	8,996,577
Adjusted for:		
Provision for doubtful debts - levies	(2,971,424)	(369,807)
Bad and doubtful debts - rental debtors	(131 427)	0
	<u>29,274,307</u>	<u>27,287,940</u>
21 CASH PAID TO SUPPLIERS AND EMPLOYEES		
Expenses from Levy income statement	31,620,477	29,036,548
Amounts payable at the beginning of the year	5,172,078	4,602,223
Amounts payable at the end of the year	(4,712,468)	(5,172,078)
Adjusted for:		
Provision for doubtful debts - rental and finance lease	(131 427)	0
Provision for doubtful debts - levy debtors	(2,971,424)	(369,807)
Depreciation	-	(72,699)
	<u>28,977,236</u>	<u>28,024,187</u>
22 INTEREST RECEIVED		
Interest received	1,888,353	1,354,398
Amount received during the year	<u>1,888,353</u>	<u>1,354,398</u>
23 INCOME TAX PAID		
Balance at the beginning of the year	(125,180)	77,946
Tax charge for the year	370,222	279,654
Balance at the end of the year - (payable) / receivable	(244 978)	125,180
Amount (received) / paid during the year	<u>64</u>	<u>482,780</u>
24 MANAGING AGENT'S - TOTAL REMUNERATION	<u>2,350,505</u>	<u>1,985,299</u>
Charged to Administrative Fund levy income statement	2,159,965	1,839,511
Charged to Reserve Fund	190,540	145,788
	<u>2,350,505</u>	<u>1,985,299</u>

DURBAN SPA BODY CORPORATE

BUDGET FOR 2025/2026

2025/2026 Budget	2024/2025 Budget	2023/2024 Audited
Jan - Dec	Jan - Dec	Jan - Dec

ADMINISTRATIVE FUND

INCOME	38 205 265	34 273 986	27 870 848
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Levies	31 338 366	29 425 696	27 120 456
Net rental - Secion 76	624 864	559 741	349 193
Sundry Income - General Recoveries /Rentals/Levies on ROU weeks	6 242 034	4 288 549	401 198

LESS : EXPENSES	38 608 475	34 779 868	27 616 589
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ADMINISTRATION EXPENSES	12 141 866	10 798 771	8 817 641
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Accounting fees	52 094	49 613	47 900
Advertising and promotions	82 979	82 361	43 623
Auditors remuneration	199 059	189 580	180 552
Bad debts	3 251 320	2 835 000	2 971 424
Bad Debts written off on rental income			131 427
Debt collection costs	833 053	567 448	324 392
Depreciation		-	-
Bank charges and credit card commission	340 718	321 432	226 842
Information technology costs	865 649	756 360	684 616
Insurance	405 636	368 760	298 900
Legal and professional fees	150 000	150 000	42 422
Levy shortfall on rented weeks	3 909 869	3 896 591	2 449 717
Office levy	69 766	65 415	30 180
Postage	12 000	10 000	3 406
Printing and stationery	97 363	94 510	54 056
Subscriptions	280 393	28 946	21 216
Telephone	133 821	144 150	123 047
Transport	8 820	8 400	6 416
TV licences and DSTV	546 777	496 221	454 164
Utility expenses - staff	94 094	83 984	51 866
Wifi - guests	808 453	650 000	671 476

MANAGEMENT FEES	3 300 000	2 542 710	2 159 965
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Management fees	3 300 000	2 542 710	2 159 965
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RATES, TAXES, REFUSE REMOVAL, SEWER AND WATER	2 179 512	1 911 854	1 690 409
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Rates and taxes	20 463	17 950	8 896
Refuse removal	140 340	123 105	116 103
Sewer	390 342	342 405	319 438
Water	1 628 368	1 428 393	1 245 972

ELECTRICITY	5 816 997	5 042 239	3 432 612
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Common property	4 313 965	3 718 935	2 460 170
Heating : Spa pool	384 719	331 654	395 426
Apartments	918 314	791 650	577 016
Diesel	200 000	200 000	

DURBAN SPA BODY CORPORATE
BUDGET FOR 2025/2026

2025/2026 Budget	2024/2025 Budget	2023/2024 Audited
Jan - Dec	Jan - Dec	Jan - Dec

ADMINISTRATIVE FUND (CONTINUED)

MAINTENANCE AND REPAIRS	3 750 589	2 545 342	942 616
Air-conditioning - Service contract	72 111	66 769	73 312
Apartments	2 313 903	1 299 895	230 019
Common property	700 000	600 000	328 390
Laundry repairs	60 000	43 575	
Lifts - service contract and general	128 816	106 667	91 469
Plants and decorations	25 760	23 436	21 368
Pest control	250 000	250 000	130 908
Radio and TV	50 000	30 000	10 333
Spa area	150 000	125 000	56 817
REMUNERATION	7 136 164	7 841 045	7 207 990
Salaries	6 164 359	6 836 725	6 365 852
Security guards	815 805	822 320	535 026
Trustees remuneration	156 000	182 000	307 112
TRUSTEES TRAVEL AND ACCOMODATION	32 840	40 180	5 493
Accommodation expenses	0	-	-
Entertainment	20 000	14 500	1 755
Travelling expenses and allowances	12 840	25 680	3 738
CLEANING SERVICES	4 250 506	4 057 726	3 359 863
Cleaning materials	160 500	150 000	54 622
Cleaning services	3 532 431	3 387 681	2 977 747
Guest supplies	316 975	290 045	204 349
Laundry	240 600	230 000	123 145
SURPLUS/(DEFICIT) BEFORE INTEREST AND TAXATION	(403 210)	(505 882)	254 258
Interest received	698 828	796 569	1 082 735
OPERATING SURPLUS/(DEFICIT)	295 618	290 687	1 336 993
Income tax for the year	295 619	290 687	370 222
SURPLUS/(DEFICIT) FOR THE YEAR	(0)	(0)	966 771

DURBAN SPA BODY CORPORATE
BUDGET FOR 2025/2026

2025/2026 Budget	2024/2025 Budget	2023/2024 Audited
Jan - Dec	Jan - Dec	Jan - Dec

RESERVE FUND

INCOME	3 494 937	3 281 631	3 060 504
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Levies	3 494 937	3 281 631	3 060 504
Sale of furniture		-	

LESS : EXPENSES	4 380 891	3 188 413	4 003 889
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Replacements and refurbishment costs	4 380 891	2 898 557	3 813 349
Fire Compliance Project - Sprinkler system			
Managing agents remuneration on capital expenditure		289 856	190 540

SURPLUS/(DEFICIT) BEFORE INTEREST AND TAXATION	(885 954)	93 218	(943 385)
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Interest received	755200	638 840	805 618
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OPERATING SURPLUS/(DEFICIT)	(130 754)	732 058	(137 767)
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Income tax for the year	211 456	178 875	-
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SURPLUS/(DEFICIT) FOR THE YEAR	(342 210)	553 183	(137 767)
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DURBAN SPA BODY CORPORATE

REPLACEMENT VALUE TO 31 DECEMBER 2024 FOR INSURANCE PURPOSES IN TERMS OF MANAGEMENT RULE 23 (3)

FLAT No	SECTION	AREA Sq M	QUOTA	VALUE	FLAT No	SECTION	AREA Sq M	QUOTA	VALUE
OFFICE	1	18	0.0034	758 557	901	60	45	0.0085	1 896 392
101	2	39	0.0073	1 643 540	902	61	39	0.0073	1 643 540
102	3	70	0.0132	2 949 944	903	62	78	0.0147	3 287 080
103	4	70	0.0132	2 949 944	904	63	78	0.0147	3 287 080
104	5	70	0.0132	2 949 944	905	64	39	0.0073	1 643 540
105	6	70	0.0132	2 949 944	906	65	45	0.0085	1 896 392
106	7	39	0.0073	1 643 540	907	66	31	0.0058	1 306 404
201	8	39	0.0073	1 643 540	908	67	31	0.0058	1 306 404
202	9	70	0.0132	2 949 944	1001	68	45	0.0085	1 896 392
203	10	70	0.0132	2 949 944	1002	69	39	0.0073	1 643 540
204	11	70	0.0132	2 949 944	1003	70	78	0.0147	3 287 080
205	12	70	0.0132	2 949 944	1004	71	78	0.0147	3 287 080
206	13	39	0.0073	1 643 540	1005	72	39	0.0073	1 643 540
301	14	39	0.0073	1 643 540	1006	73	45	0.0085	1 896 392
302	15	70	0.0132	2 949 944	1007	74	31	0.0058	1 306 404
303	16	70	0.0132	2 949 944	1008	75	31	0.0058	1 306 404
304	17	70	0.0132	2 949 944	OFFICE	76	12	0.0023	505 705
305	18	70	0.0132	2 949 944	1101	77	45	0.0085	1 896 392
306	19	39	0.0073	1 643 540	1102	78	39	0.0073	1 643 540
401	20	39	0.0073	1 643 540	1103	79	78	0.0147	3 287 080
402	21	70	0.0132	2 949 944	1104	80	78	0.0147	3 287 080
403	22	70	0.0132	2 949 944	1105	81	39	0.0073	1 643 540
404	23	70	0.0132	2 949 944	1106	82	45	0.0085	1 896 392
405	24	70	0.0132	2 949 944	1107	83	31	0.0058	1 306 404
406	25	39	0.0073	1 643 540	1108	84	31	0.0058	1 306 404
501	26	45	0.0085	1 896 392	1201	85	45	0.0085	1 896 392
502	27	39	0.0073	1 643 540	1202	86	39	0.0073	1 643 540
503	28	39	0.0073	1 643 540	1203	87	78	0.0147	3 287 080
503	29	39	0.0073	1 643 540	1204	88	78	0.0147	3 287 080
505	30	39	0.0073	1 643 540	1205	89	39	0.0073	1 643 540
505	31	39	0.0073	1 643 540	1206	90	45	0.0085	1 896 392
507	32	39	0.0073	1 643 540	1207	91	31	0.0058	1 306 404
508	33	45	0.0085	1 896 392	1208	92	31	0.0058	1 306 404
509	34	31	0.0058	1 306 404	1301	93	45	0.0085	1 896 392
510	35	31	0.0058	1 306 404	1302	94	39	0.0073	1 643 540
601	36	45	0.0085	1 896 392	1303	95	78	0.0147	3 287 080
602	37	39	0.0073	1 643 540	1304	96	78	0.0147	3 287 080
603	38	78	0.0147	3 287 080	1305	97	39	0.0073	1 643 540
604	39	78	0.0147	3 287 080	1306	98	45	0.0085	1 896 392
605	40	39	0.0073	1 643 540	1307	99	31	0.0058	1 306 404
606	41	45	0.0085	1 896 392	1308	100	31	0.0058	1 306 404
607	42	31	0.0058	1 306 404	1401	101	45	0.0085	1 896 392
608	43	31	0.0058	1 306 404	1402	102	39	0.0073	1 643 540
701	44	45	0.0085	1 896 392	1403	103	78	0.0147	3 287 080
702	45	39	0.0073	1 643 540	1404	104	78	0.0147	3 287 080
703	46	78	0.0147	3 287 080	1405	105	39	0.0073	1 643 540
704	47	78	0.0147	3 287 080	1406	106	45	0.0085	1 896 392
705	48	39	0.0073	1 643 540	1407	107	31	0.0058	1 306 404
706	49	45	0.0085	1 896 392	1408	108	31	0.0058	1 306 404
707	50	31	0.0058	1 306 404	TOTAL		5 322	1	R 224 280 006
708	51	31	0.0058	1 306 404					
801	52	45	0.0085	1 896 392					
802	53	39	0.0073	1 643 540	TOTAL INSURED VALUE				R 224 280 000
803	54	78	0.0147	3 287 080					
804	55	78	0.0147	3 287 080					
805	56	39	0.0073	1 643 540					
806	57	45	0.0085	1 896 392					
807	58	31	0.0058	1 306 404					
808	59	31	0.0058	1 306 404					

PREVIOUS YEAR

R 224 280 000

INCREASE

CURRENT YEAR

R 224 280 000

KAYSER BAIRD

INSURANCE BROKERS

SANTAM POLICY NUMBER – 55121437241

POLICY NAME: DURBAN SPA - 57 OLIVER TAMBO PARADE, DURBAN

<u>FIRE</u>	<u>SUM INSURED</u>
Contents (Restaurant equipment, linen, appliances)	R 852 220-00
<u>BUILDINGS COMBINED</u>	
Building	R 224 280 000-00
Contents (All other contents of resort)	R 8 696 754-00
Water receptacles	R 1 100 000-00
<u>OFFICE CONTENTS</u>	
Contents (Administrative office furniture)	R 266 200-00
<u>BUSINESS INTERRUPTION</u>	
Gross Revenue	R 40 773 288-00
Extensions	R 33 677 355-00
Additional Increase in Cost of Working	R 6 286 317-00
<u>MONEY</u>	
Money	R 20 000-00
<u>GLASS</u>	
Glass	R 133 100-00
<u>BUSINESS ALL RISKS</u>	
Monitor Intercom System	R 3 000-00
Guest's Personal Effects	R 20 000-00
Various Television Sets & Accessories	R 475 000-00
3 x Cellphone Devices	R 25 236-00
<u>ACCIDENTAL DAMAGE</u>	
Holiday Resort – Buildings & Facilities	R 250 000-00
<u>PUBLIC LIABILITY</u>	
General & Tenants	R 10 000 000-00
Products Liability	R 10 000 000-00
Trustees Indemnity	R 10 000 000-00
Wrongful Arrest	R 250 000-00
Defamation / Legal Defence Costs	R 250 000-00
<u>GROUP PERSONAL ACCIDENT</u>	
Nicolene Brennan	R 500 000-00
<u>ELECTRONIC EQUIPMENT</u>	
All Electronic Equipment	R 300 000-00
Dell Vostro Laptop	R 12 279-00
CCTV Systems and Cameras	R 130 000-00
2 x Olivetti Copiers	R 112 700-00
3 x HP Laptops	R 41 886-00
Dell Laptop	R 19 778-00
Reinstatement of Data	R 40 000-00
Increased Cost of Working	R 10 000-00
<u>FIDELITY</u>	
Fidelity	R 100 000-00

Durban (Head Office)

10 Abrey Road
Kloof, 3610
info@kbi.co.za
www.kbi.co.za

031 767 8000

Cape Town (Branch)

Avanti Towers,
Carl Cronje Dr,
Stellenbosch University,
Cape Town, 7530

0861 767 800

Kayser Baird Insurance Brokers (Pty) Ltd
Reg No. 2018/227481/07
VAT No. 4040132757

Directors: JA Kayser, MR Baird
FSP Licence No. 8257



**DURBAN SPA BODY CORPORATE
BUDGET FOR 2025/2026**

	2025 / 2026 Budget R	2024 / 2025 Budget R	2023 / 2024 Budget R	
BODY CORPORATE LEVIES PER UNIT				
ADMINISTRATIVE FUND LEVY				
4 BED UNIT	4 851	4 555	4 198	
6 BED UNIT	9 703	9 111	8 397	
2 BED TOWER	4 158	3 905	3 599	
4 BED TOWER	4 851	4 555	4 198	
6 BED TOWER	5 544	5 206	4 798	
8 BED TOWER	10 396	9 761	8 997	
8 BED TOWER FIFTH FLOOR	9 703	9 111	8 397	
RESERVE FUND LEVY				
4 BED UNIT	541	508	474	
6 BED UNIT	1 082	1 016	948	
2 BED TOWER	464	435	406	
4 BED TOWER	541	508	474	
6 BED TOWER	618	581	541	
8 BED TOWER	1 159	1 089	1 015	
8 BED TOWER FIFTH FLOOR	1 082	1 016	948	
THE BODY CORPORATE LEVIES ARE INCLUSIVE OF VAT				
PROPERTY RATES DIRECTLY RECOVERED FROM MEMBERS				
4 BED UNIT	257	237	227	
6 BED UNIT	474	438	420	
2 BED TOWER	202	187	179	
4 BED TOWER	257	237	227	
6 BED TOWER	303	272	269	
8 BED TOWER	529	489	468	
8 BED TOWER FIFTH FLOOR	513	474	455	
CSOS LEVIES DIRECTLY RECOVERED FROM MEMBERS				
4 BED UNIT	12	12	12	
6 BED UNIT	12	12	12	
2 BED TOWER	12	12	12	
4 BED TOWER	12	12	12	
6 BED TOWER	12	12	12	
8 BED TOWER	12	12	12	
8 BED TOWER FIFTH FLOOR	12	12	12	
TOTAL DUE	2025 / 2026 Budget	2024 / 2025 Budget	2023 / 2024 Budget	Rand value increase 2025
4 BED UNIT	5 661	5 312	4 911	349
6 BED UNIT	11 271	10 577	9 776	694
2 BED TOWER	4 836	4 539	4 196	297
4 BED TOWER	5 661	5 312	4 911	349
6 BED TOWER	6 478	6 071	5 621	407
8 BED TOWER	12 096	11 351	10 492	745
8 BED TOWER FIFTH FLOOR	11 310	10 613	9 812	697

2025 /2026 BODY CORPORATE LEVY, PROPERTY RATES AND CSOS LEVY ARE DUE AND PAYABLE BY 3 JANUARY 2025



Here's your holiday weeks' timetable listing, Peak, In and Semi-Season plus all Flexi-weeks. A week starts and ends on a Friday (F) and a letter indicates the day of the week. E.g., S = Saturday. It shows all the public school holidays as well as the Peak, Red, White and Blue RCI periods. Keep the table handy to assist in the planning of your holidays during the current year.

*** Subject to Change***

Durban Spa Seasonal Time Slots				2025 Government School Holidays							RCI Time Slots
				F	S	S	M	T	W	T	
A01	Semi-S/Perm	03 Jan	10 Jan 25	X	X	X	X	X	X	X	Peak 3
A02	Semi-S/Perm	10 Jan	17 Jan	X	X	X	X	X			Peak 1
A03	Semi-S/Perm	17 Jan	24 Jan								
A04	Semi-S/Flexi	24 Jan	31 Jan								
A05	Semi-S/Flexi	31 Jan	07 Feb								
A06	Semi-S/Flexi	07 Feb	14 Feb								
A07	Semi-S/Flexi	14 Feb	21 Feb								
A08	Semi-S/Flexi	21 Feb	28 Feb								
A09	Semi-S/Flexi	28 Feb	07 Mar								
A10	Semi-S/Flexi	07 Mar	14 Mar								
A11	Semi-S/Flexi	14 Mar	21 Mar								
A12	Semi-S/Perm	21 Mar	28 Mar								
C01	Peak/Spits	28 Mar	04 Apr	X	X	X	X	X	X	X	Peak 3
C02	Peak/Spits	04 Apr	11 Apr	X	X	X	X				
A13	Semi-S/Perm	11 Apr	18 Apr								
A14	Semi-S/Perm	18 Apr	25 Apr								
A15	Semi-S/Flexi	25 Apr	02 May			X	X	X	X	X	Peak 3
A16	Semi-S/Flexi	02 May	09 May								
A17	Semi-S/Flexi	09 May	16 May								
A18	Semi-S/Flexi	16 May	23 May								
A19	Semi-S/Flexi	23 May	30 May								
A20	Semi-S/Flexi	30 May	06 Jun								
A21	Semi-S/Perm	06 Jun	13 Jun								
A22	Semi-S/Perm	13 Jun	20 Jun								
A23	Semi-S/Perm	20 Jun	27 Jun								
B01	InSeas/Binne	27 Jun	04 Jul	X	X	X	X	X	X	X	Peak 2
B02	InSeas/Binne	04 Jul	11 Jul	X	X	X	X	X	X	X	Peak 2
B03	InSeas/Binne	11 Jul	18 Jul	X	X	X	X	X	X	X	Peak 2
A24	Semi-S/Perm	18 Jul	25 Jul	X	X	X	X				
A25	Semi-S/Flexi	25 Jul	01 Aug								
A26	Semi-S/Flexi	01 Aug	08 Aug								
A27	Semi-S/Flexi	08 Aug	15 Aug								
A28	Semi-S/Flexi	15 Aug	22 Aug								
A29	Semi-S/Flexi	22 Aug	29 Aug								
A30	Semi-S/Flexi	29 Aug	05 Sep								
A31	Semi-S/Flexi	05 Sep	12 Sep								
A32	Semi-S/Perm	12 Sep	19 Sep								
A33	Semi-S/Perm	19 Sep	26 Sep								
A34	Semi-S/Perm	26 Sep	03 Oct								
B04	InSeas/Binne	03 Oct	10 Oct	X	X	X	X	X	X	X	Peak 3
A35	Semi-S/Perm	10 Oct	17 Oct	X	X	X					
A36	Semi-S/Flexi	17 Oct	24 Oct								
A37	Semi-S/Flexi	24 Oct	31 Oct								
A38	Semi-S/Flexi	31 Oct	07 Nov								
A39	Semi-S/Flexi	07 Nov	14 Nov								
A40	Semi-S/Flexi	14 Nov	21 Nov								
A41	Semi-S/Flexi	21 Nov	28 Nov								
A42	Semi-S/Perm	28 Nov	05 Dec								
B05	InSeas/Binne	05 Dec	12 Dec						X	X	
C03	Peak/Spits	12 Dec	19 Dec	X	X	X	X	X	X	X	Peak 3
C04	Peak/Spits	19 Dec	26 Dec	X	X	X	X	X	X	X	Peak 4
C05	Peak/Spits	26 Dec	02 Jan 26	X	X	X	X	X	X	X	Peak 4