The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

ANNUAL REPORT
2020

These financial statements were internally prepared by Vee de Freitas.
These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Published 30 April 2021.

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

ANNUAL REPORT

2020

CONTENTS

Annual Financial Statements for the year ended 31 December 2020	1
Levy Operating Statement and Budget for 2020 & 2021	31
Levy Expense Summary	33
Notice to “A” Members	34
Notice to “A” and “B” Members	36

ANNUAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

NATURE OF BUSINESS
Property timesharing scheme, known as "The Peninsula"

BUSINESS ADDRESS
313 Beach Road, Sea Point 8005

POSTAL ADDRESS
P O Box 768, Sea Point 8060

BANKERS
Standard Bank of South Africa Limited

AUDITORS
BDO Cape Inc.

COMPANY REGISTRATION NUMBER
1938/011635/07

CONTENTS

Report of the independent auditors	2 - 4
Directors' report	5 - 10
Report of the audit committee	11 - 13
Report of the social & ethics committee	14 - 15
Statement of financial position	16
Statement of comprehensive income	17
Statement of changes in equity	17
Cash flow statement	18
Notes to the financial statements	19 - 27
Notes to the cash flow statement	28
Levy operating statement	29-30

The annual financial statements were approved by the directors on 30 April 2021 and signed on their behalf by:

DIRECTOR
(H A F Patrick)

DIRECTOR
(R W Dickson)

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Cape Town, 8001
PO Box 2275
Cape Town, 8000

Independent Auditor's Report

To the shareholder of

Peninsula Share Block Proprietary Limited

Opinion

We have audited the financial statements of Peninsula Share Block Proprietary Limited (the company) set out on pages 16 to 28, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Peninsula Share Block Proprietary Limited as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Peninsula Share Block Proprietary Limited Annual Financial Statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Responsibilities of the Directors for the Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

BDO South Africa Incorporated
Chartered Accountants (SA)
Registered Auditors

Per. JG Glass
Chartered Accountant (SA)
Director
Registered Auditor

26 April 2021

119-123 Hertzog Boulevard
Foreshore
Cape Town, 8001

DIRECTORS' REPORT

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

The directors have pleasure in presenting their report for the year ended 31 December 2020.

NATURE OF BUSINESS

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

REVIEW OF ACTIVITIES

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

MANAGEMENT

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

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

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

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

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

Directors of Peninsula Management	**Directors of Leisure Options**	**Directors of Dream Hotels & Resorts**	**Trustees of Dream Vacation Club**
A.M Schlesinger	R.W. Dickson	R.W. Dickson	R.W. Dickson
R.W. Dickson	R.N Dickson	R.N. Dickson	
R.N. Dickson			

LEVY FUND

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

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

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

	2020	2021
	R	R
Mini Suite	6,458	6,458
Luxury Suite	7,749	7,749
Super Luxury Suite	8,592	8,592
Royal Suite	10,783	10,783

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

Levies increased by 6.5% in 2020 with the intention of transferring R8 million to the reserve. The capital refurbishment budget was set at R9 million to facilitate the normal refurbishments such as furniture and softs in the units, as well as the major refurbishments which included the main kitchen, the kitchens and bathrooms in the suites. However, due to the Covid-19 lockdown, some of the capital refurbishments were postponed to 2021. Realizing that the timeshare owners would not be able to make use of their timeshare, a revised budget was prepared in order for management to access what fixed costs still needed to be absorbed even though the resort was closed. These fixed costs amounted to 50.3% of the annual levies. This allowed management to offer timeshare owners affected by the lockdown various options: 1) Pay the full levy and flexi the week to use within the next 3 years, spacebank with RCI or the Dream Exchange Program, or 2) pay only 50% of the levies and forfeit the 2020 week.
Employees were sent on leave for the 1st month of lockdown, with the exception of 10 essential employees. Once lockdown restrictions eased, employees were brought back on shorter hours and, except for those with essential roles to fulfill, were allocated to the winter maintenance program, replacing external artisans. The resort re-opened its doors in July for the owners to occupy or flexi in and was fully operational by September, while conforming to local regulatory Covid protocols.

Conservative spending during 2020, achieving a substantial saving to the revised budget, coupled with an increase in "B" class levy income with pro-active revenue generating initiatives, meant that R8.5 million could be transferred to the reserve. Taking into consideration that only R6.8 million was spent on capital expenditure projects instead of the R9.4 million planned, the reserve grew from R7.2 million last year to R8.9 million in 2020. In February 2021, the company received R1 million for its business interruption claim for infectious diseases and after deducting legal fees and splitting claim with Peninsula Management Company, boosted the reserve by an additional R470K in 2021. With these additional funds in The Share Block a decision was made by Directors not to increase the 2021 levies. This is in recognition that it had been a difficult financial period for most timeshare owners and the relief would be welcomed.

The Peninsula utilized all opportunities provided by Government, such as UIF TERS and Income Tax relief to ensure minimal impact on staff and reduce business operational expenses where possible.

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

FINANCIAL RESULTS

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

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

The Company adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, measuring 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have

been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year. Consequently, the value of the Property is not reflected on the Statement of Financial Position of the Company.

AUDIT COMMITTEE

The report of the audit committee is included in the 2020 annual report.

SOCIAL AND ETHICS COMMITTEE

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

The responsibilities of this committee are as follows:

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

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

The report of the committee is included in the 2020 annual report.

MAINTENANCE AND REFURBISHMENT

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

1. Routine repairs and maintenance are budgeted for and expended as a normal levy expense.

2. Each suite is allocated a maintenance week between May and September. By grouping maintenance weeks within the building, management strives to ensure that any necessary maintenance refurbishment work is carried out with the minimum of inconvenience to owners and guests.

   Points 1 and 2 were carried out at a total maintenance cost for the year of R907 754.

3. A long term programme for refurbishment, replacement and enhancement of fixed assets is reviewed and updated annually against a 10 year capex plan. The expenditure incurred in terms of this programme is charged against the Reserve for Expenditure on Fixed Assets and amounted to R6 875 936 during 2020. This included the following programmes and additions:

   - Painting, waterproofing and plastering of all 110 suites and public areas
   - Refurbishment of 6 suite bathrooms and 1 shower conversion
   - Replacing floor tiles in 11 suite balconies
   - Replacing all small television sets in main bedrooms
   - Installing chromecast to all lounge television sets
   - Replacement of balcony sliding and hinge doors
   - Deposits paid in 2020 for work postponed to 2021 due to Covid-19 restrictions
   - Fabric purchased for soft refurbishment postponed to 2021 due to Covid-19 restrictions
   - Painting, flooring, tiling, cold room installation, extraction and ventilation of property main kitchen.

FIXED ASSETS

A gross amount of R8 557 062 was transferred from the levy fund to the reserve for expenditure on fixed assets and an amount of R6 875 936 was expended against the reserve.

At the end of the 2020 financial year, the reserve amounted to R8 927 552. This reserve is adequately covered by the cash resources of the company, which amounted to R17 802 962 at the balance sheet date. The directors are committed to ensuring that the reserve for expenditure on fixed assets remains sufficient to maintain The Peninsula's facilities at an appropriate level.

HOTEL OPERATIONS

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

On 15 March 2020, the President of South Africa declared a national state of disaster and announced measures such as immediate travel restrictions. On 23 March, a national lockdown was announced, starting on 27 March 2020. At this point, the resort, restaurants and bars closed their doors. As of 1 May 2020, a gradual and phased easing of the lockdown restrictions began, lowering the national alert level to 4. This allowed the Strolla Café to open for takeaways. From 1 June, the national restrictions were lowered to level 3. The resort opened for its doors to welcome its first guests since lockdown and Strolla Restaurant opened for sit-down meals. The restrictions were lowered to alert level 2 on 17 August 2020. Strolla Bar opened and Strolla Restaurant was allowed to sell alcohol for on-site consumption. From 21 September 2020, restrictions were lowered to alert level 1. In December 2020, the country experienced a second wave of COVID-19 infections. The lockdown was tightened from an adjusted level 1 to an adjusted level 3 starting on 29 December 2020, which prohibited the sale of alcohol. Beaches were also closed, which had an effect on tourism to Cape Town from around the country.

Room revenue of R5.8 million showed a 64% decrease on the previous year. The room sale efficiency in the rental pool was 17.7%, a decrease of 64.8% and the average daily room rate decreased by 8.8% to R1558. The resort did not operate a rental pool from week 13 to week 48. Any accommodation revenue achieved over this period was paid over by Peninsula Management as "B" class levy income less 20% administration fee. Regarding those that paid full levies and chose to flexi their week the additional income has been accrued to be credited to rental pool income when the owner flexes' back in during the following 36 months.

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

Only the Strolla Restaurant, Café and Bar re-opened after lockdown. The Sunset Restaurant has been utilized as business work-stations and an extension to the pool terrace during summer holiday season being serviced by Strolla staff.

Food and Beverage income for 2020 was R9.7 million, a decrease of R5 248K on the previous year, but was better than forecasted by R1 617K.

The contribution of "B" class levies to the levy fund was R5 694K, an increase on previous year of R4 481K. The main contributor to this line being accommodation sundry income achieved during the lock down period.

2020 total income was 14.4% lower than budget and 7.4% lower than previous year.

The Peninsula has maintained the 4 star hotel grading from the Tourism Grading Council and achieved a level 8 BBBEE rating for the Management Company. The resort achieved 94% for its external Health and Safety audit and continues to lead the field in sustainability through its association with ERO and our established greening program.

PROPERTY ENHANCEMENTS

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

In 2020 the soft refurbishment, which include replacing sleeper couches, bedspreads, curtains and the refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs was postponed to 2021 due to Covid-19 restrictions.

Deposits were paid for 10 kitchens to be refurbished including the replacement of bedroom cupboards, these were also postponed to 2021, the fabric required for 2020 soft refurbishment was purchased and now being utilized in 2021. 6 suite bathrooms and 1 shower conversion was completed, and the final 11 suites' balconies were tiled.

Taking advantage of the lockdown period and when essential maintenance was allowed the main kitchen was refurbished as planned during 2020.

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

COVID-19 – GOING CONCERN 2021

The Covid-19 pandemic has extended beyond 2020 into 2021. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the supply of timeshare accommodation and collection of levies, which is the revenue needed to meet its costs.

The company became fully operational towards the third quarter of 2020 and timeshare owners could once again occupy their timeshare, whilst conforming to the local regulatory Covid protocols. Management does not anticipate any reduction in levy revenues in 2021, although collection of levies will remain high priority. Should regulations change, management will reduce costs significantly to meet the negative impact on the business.

There is uncertainty as to how a third wave resurgence of the pandemic and further government imposed restrictions will affect the levy revenues.

Even though there is still uncertainty on how business will perform for the remainder of the year, by performing cashflow forecasts for a period of 12 months from the reporting date and implementing cost cutting measures, there will be sufficient funds to cover expenditure.

SHARE CAPITAL

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

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

DIVIDENDS

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

DIRECTORS

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

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

SECRETARY

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

REPORT OF THE AUDIT COMMITTEE

1. MEMBERSHIP

The shareholders appointed the committee for the 2020 financial year at the annual general meeting in September 2020 and will be requested to approve the appointment of the chairman and members of the committee for the 2020 financial year at the annual general meeting scheduled for May 2021.

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

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

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

2. MEETINGS HELD BY THE COMMITTEE

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

The Audit Committee held one physical meeting and two Zoom meetings during the year.

Attendance at the meeting is shown in the table below:

Director	20/02/2020	03/09/20	27/10/2020
Mr. Hugh Patrick	√		√
Mr. Weston Dickson	√	√	√
Mr. Nick Dickson	√	√	√
Mr. Vee de Freitas – Fin. Manager	√	√	√
Mr. Abdul Davids – Compliance Officer	√	√	√
External Auditors – Jason Glass			√
External Auditors – Matthew Esbach	√		√

3. KEY FUNCTIONS AND RESPONSIBILITIES

The Committee:

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

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

- The financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks.

4. INTERNAL CONTROL AND INTERNAL AUDIT

The Committee:

- Reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the report of the internal auditors on the company's systems of internal control including financial controls, business risks, management and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained and that the systems safeguarded the company's assets' unauthorized use or disposal;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in respect thereto;
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory;
- Approved the initiation of internal cross audits whereby the compliance officer at one of the Dream Hotels Resorts would conduct an internal audit at another resort;
- Arranged that a full IT system restoration was conducted during the year. In addition an external specialist company is employed to conduct an annual system penetration test.
- Approved the appointment of Mr A Davids as the fulltime compliance officer of the company; and
- Concluded that there were no material breakdowns in internal control.

5. FINANCIAL MANGER AND FINANCE FUNCTION

The committee:

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

6. EXTERNAL AUDIT

The committee:

- Nominated BDO South Africa Incorporated as auditors to the shareholders for appointment for the financial year ended December 31 2020, of the company, and ensured that the appointment complied with legal and regulatory requirements for the appointment of an auditor;
- Approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditors;
- Determined the nature and extent of all non-audit services provided by the auditors and pre-approved all non-audit services undertaken;
- Obtained assurances from the auditors that adequate accounting records were being maintained;
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act;
- Two meetings were held with the external auditors during the year.

INDEPENDENCE OF EXTERNAL AUDITORS

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

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

7. RISK MANAGEMENT AND LEGAL REQUIREMENTS

The committee

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

8. OPINION

The committee:

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

9. DISCHARGE OF RESPONSIBILITIES

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

H A F Patrick
Chairman – Audit Committee

REPORT OF THE SOCIAL & ETHICS COMMITTEE

Members
Chris Godenir – Chairman and Peninsula GM
Hugh Patrick – Peninsula Director
Di Gordon - Peninsula Management Director
Vee de Freitas – Peninsula Financial Manager
Brent Johansen – Peninsula Rooms Division Manager
Valda Karriem – F&B Sales Coordination's Manager
Lwandile Makubalo – Peninsula Personnel & Committee Administrator

In 2020 the Peninsula Board confirmed the above committee to comply with Legislation and it has met 4 times over the past year with Hugh Patrick representing Share Block Directors and Di Gordon representing Peninsula Management Directors.

Purpose and Role of Committee

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

a) Health

The Peninsula offers all its employees the opportunity to participate in a medical aid scheme and every year there is a free wellness day when a local clinic runs a free testing centre at The Peninsula this year held in September.

b) Occupational hygiene

The Peninsula Kitchen, Store Rooms, Refuse Area, Bars and Change Rooms are normally inspected and audited 4 times a year by QPRO although with lockdown and restaurant closure, it was suspended and restarting in 2021. An independent organization is appointed annually to carry out a full Food Safety and Health and Safety Audit completed each year in December and certificate of compliance issued.

c) HIV/Aids

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

d) Ethics management

The Peninsula has a reputation for developmental management and has achieved some great success stories over the years. This is monitored and measured through a recognized performance management system and the completion of its annual work place skills plan. In the staff workshops throughout the year the theme for 2020 was developing "a Circle of Trust" and emphasizing importance of "Drum Beats" implemented the previous year. The company has various external and internal audits throughout the year and is compliant with all legislation. With new POPI regulations for the protection of personal information, we will be ensuring we remain compliant. This is all monitored by the new appointment of a dedicated Compliance Officer.

e) Corporate social investment

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

f) Environmental management

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

g) Sustainability strategy and framework

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

h) Safety

The property in 2020 scored 94% for its external Health and Safety Audit, which is completed annually. There is a strong Health and Safety Committee in place and all incidents are investigated and preventative measures actioned.

i) Labour

The company's employment relationships', working conditions and its contribution towards the educational development of its employees is monitored through our work place skills plan and equity committee. Wage negotiations take place with SACCAWU every year when terms and conditions are negotiated and agreed. The policy of working a 5 day week will become a standard in July 2021. Staff agreed to forgo increase in July 2020 and work reduced hours due to COVID trading and the budgeted 6% was implemented on 1st January 2021.

Statutory duties

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

2) To draw matters within its mandate to the attention of the board as the occasion requires.

3) To report, through one of its members, to the shareholders at the company's annual general meeting, on the matters within its mandate.

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

Chairman – C D Godenir

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	Notes	**2020**	2019
		R	R
ASSETS			
CURRENT ASSETS		**21 516 953**	18 138 031
Inventory	3	**133 430**	182 890
Loans and receivables	4	**-**	462 025
Share block holders for outstanding levies	5	**3 461 133**	1 941 277
Other receivables	5	**119 428**	533 384
Bank balance and cash	6	**17 802 962**	15 018 455
TOTAL ASSETS		**21 516 953**	18 138 031
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		**8 927 953**	7 246 827
Share capital	7	**401**	401
Reserve for expenditure on fixed assets	9	**8 927 552**	7 246 426
CURRENT LIABILITIES		**12 589 000**	10 891 204
Accounts payable	10	**2 074 446**	2 550 295
Loans and payables	11	**481 773**	-
Prepaid levies		**9 854 253**	8 072 103
Taxation		**178 528**	268 806
TOTAL EQUITY AND LIABILITIES		**21 516 953**	18 138 031

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020**	2019
		R	R
REVENUE	13	**31 025 465**	37 063 044
Operating expenses		**(22 967 308)**	(29 164 978)
Operating profit	14	**8 058 157**	7 898 066
Investment revenue		**676 254**	1 005 810
Profit before taxation		**8 734 411**	8 903 876
Taxation	15	**(177 349)**	(267 370)
Total comprehensive income		**8 557 062**	8 636 506

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital	Reserve for Expenditure on Assets	Accumulated profits	Total
	R	R	R	R
Balance at 31 December 2018	**401**	**7 443 335**	**-**	**7 443 736**
Total comprehensive income for the year	-	-	8 636 506	8 636 506
Transfer to reserve	-	8 636 506	(8 636 506)	-
Expenditure against reserve	-	(8 833 415)	-	(8 833 415)
Balance at 31 December 2019	**401**	**7 246 426**	**-**	**7 246 827**
Total comprehensive income for the year	-	-	8 557 062	8 557 062
Transfer to reserve	-	8 557 062	(8 557 062)	-
Expenditure against reserve	-	(6 875 936)	-	(6 875 936)
Balance at 31 December 2020	**401**	**8 927 552**	**-**	**8 927 953**
Notes	7	9		

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2020**	2019
		R	R
NET CASH INFLOW FROM OPERATING ACTIVITIES		**8 716 645**	7 732 315
Cash generated by share block operations	2	**8 058 157**	7 898 066
(Increase) decrease in working capital	3	**249 861**	(916 964)
Cash generated by operations		**8 308 018**	6 981 102
Interest received		**676 254**	1 005 810
Taxation paid	4	**(267 627)**	(254 597)
CASH UTILISED FROM RESERVE FOR EXPENDITURE ON FIXED ASSETS		**(6 875 936)**	(8 833 415)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		**943 798**	(183 656)
Advance of loan to related party		**943 798**	(183 656)
NET INCREASE IN BANK BALANCES AND CASH		**2 784 507**	(1 284 756)
BANK BALANCES AND CASH AT BEGINNING OF PERIOD		**15 018 455**	16 303 211
BANK BALANCES AND CASH AT END OF PERIOD		**17 802 962**	15 018 455

1. **ACCOUNTING POLICIES**

Presentation of Annual Financial Statements

The financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 71 of 2008. The annual financial statements are prepared under the historical cost basis except where otherwise indicated below. These accounting policies are consistent with the previous period, with the exception of the adoption of IFRS 15 (Revenue from Contracts with Customers) and IFRS 9 (Financial Instruments) due to these accounting standards becoming applicable under the current reporting framework.

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

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

Financial assets measured at cost and amortised cost

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

Allowance for slow moving, damaged and obsolete inventory

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

Taxation

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

The company recognises the net future taxation benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction.
To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

Estimation of expected credit loss allowance

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

Trade and other receivables

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

Historical loss rate/ historical credit quality forward looking factors:

The Company's historical credit loss rate has been low.
The historical loss rates have been used for the previous few years of assessment and these are the most relevant and timely information.
The following reasonable and supportable information has been taken into account, as part of the forward looking factors, namely:
- The Company's long standing trade history and trade relationships with its customer base.
- Forward-looking information such as the likelihood of default and economic conditions of the industry.
- Macro-economic factors affecting customers' ability to settle amounts owing, including the following:
a) Foreign currency exchange rates
b) Increases in customer local inflation and interest rates as this would erode a customers' purchasing power
c) General customer confidence in regards to their own financial situations

1.2 **Revenue Recognition**

The company recognises revenue from the following major sources:
- Levy income from class A shareholders
- Class B levy income

Following the adoption of IFRS 15 the company's accounting policy in respect of revenue is as follows:
Revenue represents income arising in the course of ordinary activities, being those activities as highlighted above.

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

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

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

1.3 **Provisions**

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

1.4 **Current taxation**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax assets for the current and prior periods are measured at the amount expected to be recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

1.5 **Levies received**

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

1.6 **Financial Instruments**

Financial instruments are initially recognised at fair value.

Financial instruments at amortised cost

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

Financial instruments at cost

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

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

Prepaid expenses and other debtors:

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

Share block holders for outstanding levies:

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

Creditors and prepaid levies:

Creditors and prepaid levies are stated at nominal value.

1.7 **Inventory**

Inventory consists of stationery, guest and cleaning supplies listed as other consumables.
A reserve for expenditure on inventory is provided for. This reserve is intended to provide for the acquisition and replacement of inventory.

1.8 **New standards and interpretations**

1.8.1 Standards and Interpretations effective and adopted in the current year

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

IFRS 9 Financial instruments

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

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

Effect of transition:

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

Classification

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

Impairment

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

Trade receivables

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

1.8.1 Standards and Interpretations effective and adopted in the current year (continued)

Loans receivable

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

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

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

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

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

1.8.2 Standards and Interpretations not yet effective

The company chose not to adopt the following standards and interpretations early, which have been published and are mandatory for the company's accounting periods beginning on or after 1 September 2019 or later periods:

IFRS 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 replaces IAS 17 "Leases" and its related interpretations.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability.

The standard is effective for the company, for the financial year commencing 1 September 2019.

During the year, the company performed an assessment in order to determine the potential impact of the new standard on the company's annual financial statements.

The application of the standard is not expected to have a material impact on the company's financial statements.

2. SHARE BLOCK HOLDERS LOANS & SHAREHOLDERS' LOANS

Amounts previously recognised viz property, plant and equipment (R113,017,785) including revaluation reserve (R93,732,944) were derecognised in accordance with the guide in financial reporting by share block companies. The net difference (R19,284,841) was set off against amount due by share-holders (R18,000,000) and replacement reserve (R1,284,841). The title deed is still registered under the company with the municipal valuation of R155 million.

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

3. INVENTORY

Inventory comprises:	**2020**	2019
	R	R
Stationery	**75 512**	79 181
Cleaning materials	**12 810**	41 084
Guest supplies	**45 108**	62 625
TOTAL	**133 430**	182 890

4. LOANS AND RECEIVABLES

Peninsula Management (Proprietary) Limited	**0**	462 025
	0	462 025

The above loan is unsecured and interest free. Terms of repayment: 30 days.
The fair values of these loans and receivables approximate their carrying amounts.
The loan has not been impaired in the past and there is no provision for impairment considered necessary.

5. TRADE AND OTHER RECEIVABLES

Financial instruments		
Share block holders for outstanding levies	**3 461 133**	1 941 277
Sundry debtors	**8 000**	440 872
Staff loans	**3 631**	6 333
Non - financial instruments		
Prepayments	**107 797**	86 179
	3 580 561	2 474 661

Exposure to credit risk

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

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

Expected credit loss

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.
The balance of trade receivables have been assessed on a collective basis as the items possess shared credit risk characteristics.

	2 020	**2 020**	2 019	2 019
	Estimated gross carrying amount at default	**Loss allowance (Lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:	**R**	**R**	R	R
0 - 60 days past due: 0% (2019: 0%)	**3 580 561**	**-**	2 474 661	-
61 - 90 days past due: 0% (2019: 0%)	**-**	**-**	-	-
More than 90 days past due: 0% (2019: 0%)	**-**	**-**	-	-
	3 580 561	**-**	2 474 661	-

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

6. **BANK AND CASH**

Bank and cash consists of:	**2020 R**	2019 R
Cash at bank	**17 802 962**	15 018 455
	17 802 962	15 018 455

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

Credit ratings		
Standard Bank Limited (Baa3)	**17 802 962**	15 018 455

7. **SHARE CAPITAL**

Authorised and issued		
40 040 "A" class ordinary shares of 1c each, divided into 40 040 share blocks of 1 share each	**400**	400
16 "B" class ordinary shares of 5c each, comprising 1 block of 16 shares	**1**	1
	401	401

8. **RETAINED INCOME**

Balance at 31 December 2018	**-**
Total comprehensive income for the year	8 636 506
Transfer to reserve	(8 636 506)
Balance at 31 December 2019	**-**
Total comprehensive income for the year	8 557 062
Transfer to reserve	(8 557 062)
Balance at 31 December 2020	**-**

9. **RESERVE FOR EXPENDITURE ON FIXED ASSETS**

	2020 R	2019 R
Balance at beginning of year	**7 246 426**	7 443 335
Transfer of levy fund surplus for the year	**8 557 062**	8 636 506
Expenditure during the year	**(6 875 936)**	(8 833 415)
	8 927 552	7 246 426

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

10. **ACCOUNTS PAYABLE**

Accounts payable comprises:

Trade creditors	**419 555**	410 984
Vat payable	**361 038**	376 553
Other payables	**1 293 853**	1 762 758
TOTAL	**2 074 446**	2 550 295

Fair Value

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

11. **LOANS AND PAYABLES**

Peninsula Management (Proprietary) Limited	**481 773**	0
	481 773	0

The above loan is unsecured and interest free. Terms of repayment: 30 days.
The fair values of these loans and receivables approximate their carrying amounts.
The loan has not been impaired in the past and there is no provision for impairment considered necessary.

12. **PROVISIONS**

2020	Carrying amount at beginning of year **R**	Used during the year **R**	Additional provisions **R**	Carrying amount at end of year **R**
Annual bonus	**-**	**(820 088)**	**820 088**	**-**
	-	**(820 088)**	**820 088**	**-**

2019	Carrying amount at beginning of year **R**	Used during the year **R**	Additional provisions **R**	Carrying amount at end of year **R**
Annual bonus	**-**	**(972 319)**	**972 319**	**-**
	-	**(972 319)**	**972 319**	**-**

	2020 **R**	2019 R
13. **REVENUE**		
Revenue from contracts with customers		
Levy income	**31 025 465**	37 063 044
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Provision of levy generating services		
Class A Levies	**25 331 399**	35 909 453
Class B levies	**5 694 066**	1 153 591
	31 025 465	37 063 044
Timing of revenue recognition		
Over time recognition		
Class A Levies	**25 331 399**	35 909 453
Class B levies	**5 694 066**	1 153 591
	31 025 465	37 063 044

14. **PROFIT FROM OPERATIONS**

Profit from operations is stated after:

Interest received	**676 254**	1 005 810
Rental charges	**195 228**	167 707
Employee costs	**11 751 868**	16 261 809

15. **TAXATION**

Except for taxation on interest income, the company is not liable for taxation on the surplus arising in the levy operating statement. Exemption from tax is claimed in terms of Section 10(1)(e) of the Income Tax Act. In determining the tax on interest income, interest earned on arrear levies is excluded and an appropriate portion of administration expenditure is claimed against interest received.

Current year	**177 349**	267 370
	177 349	267 370
Reconciliation of rate of taxation:		
South African normal taxation rate	**28%**	28%
Adjusted for:		
Disallowable expenditure	**0%**	0%
Exempt income	**-28%**	-27%
Effective rate:	**0%**	1%

16. **RELATED PARTIES**

Relationship		**2020** R	2019 R
Shareholder	Peninsula Management (Proprietary) Limited		
Related party balances			
Amount owed by related parties			
Peninsula Management (Proprietary) Limited		**-**	462 025
Amount owed to related parties			
Peninsula Management (Proprietary) Limited		**481 773**	-
Related party transactions			
Management fees paid to related parties			
Peninsula Management (Proprietary) Limited		**1 246 956**	1 139 700
Levies received from related parties			
Peninsula Management (Proprietary) Limited	"B" Class levies	**5 694 066**	1 068 609
Peninsula Management (Proprietary) Limited	"A" Class levies	**1 424 834**	1 145 075

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

17. **FINANCIAL INSTRUMENTS**

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

17.1 **Sensitivity analysis**

The group exposures to various financial risks are set out below: **2020** 2019

Class of financial instrument: Carrying value	**Interest rate risk**	**Interest rate risk**
Working capital balances		
Other financial liability	-	-
Bank and cash	17 802 962	15 018 455
Net exposure	17 802 962	15 018 455

Class of financial instrument: Sensitivity to changes in underlying financial variables: Possible changes	**Interest rate risk 1%**	**Interest rate risk 1%**
Working capital balances		
Trade and loans receivable	-	-
Bank and cash	178 030	150 185
Net exposure	178 030	150 185

17.2 **Financial risk management**

17.2.1 *Interest rate risk*

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

17.3 **Financial liabilities**

17.3.1 *Maturity analysis*

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

17.3.2 *Liquidity risk management*

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

17.3 **Financial liabilities (continued)**

17.3.3 *Capital management*

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

During 2020, the company's strategy, which was unchanged from 2019, was to maintain a debt free structure and maintain enough capital to ensure the availability of working capital.

18. **FINANCIAL INSTRUMENT DISCLOSURE**

31 DECEMBER 2020	Notes	Loans and receivables R	Available for sale R	Financial liabilities at amortised cost R	Non financial instruments R	Total R
ASSETS						
CURRENT ASSETS		21 275 726	-	-	241 227	21 516 953
Inventory	3	-	-	-	133 430	133 430
Loan receivable	4	-	-	-	-	-
Share block holders for outstanding levies		3 461 133	-	-	-	3 461 133
Other receivables	5	11 631	-	-	107 797	119 428
Bank balance and cash	6	17 802 962	-	-	-	17 802 962
TOTAL ASSETS		21 275 726	-	-	241 227	21 516 953
LIABILITIES						
CURRENT LIABILITIES		-	-	(2 195 181)	(10 393 819)	(12 589 000)
Accounts payable	10	-	-	(1 713 408)	(361 038)	(2 074 446)
Loans payable	11			(481 773)		(481 773)
Prepaid levies		-	-	-	(9 854 253)	(9 854 253)
Taxation		-	-	-	(178 528)	(178 528)
TOTAL LIABILITIES		-	-	(2 195 181)	(10 393 819)	(12 589 000)
CAPITAL AND RESERVES						8 927 953

31 DECEMBER 2019	Notes	Loans and receivables R	Available for sale R	Financial liabilities at amortised cost R	Non financial instruments R	Total R
ASSETS						
CURRENT ASSETS		17 868 962	-	-	269 069	18 138 031
Inventory	3	-	-	-	182 890	182 890
Loan receivable	4	462 025	-	-	-	462 025
Share block holders for outstanding levies		1 941 277	-	-	-	1 941 277
Other receivables	5	447 205	-	-	86 179	533 384
Bank balance and cash	6	15 018 455	-	-	-	15 018 455
TOTAL ASSETS		17 868 962	-	-	269 069	18 138 031
LIABILITIES						
CURRENT LIABILITIES		-	-	(2 173 742)	(8 717 462)	(10 891 204)
Accounts payable	10	-	-	(2 173 742)	(376 553)	(2 550 295)
Prepaid levies		-	-	-	(8 072 103)	(8 072 103)
Taxation		-	-	-	(268 806)	(268 806)
TOTAL LIABILITIES		-	-	(2 173 742)	(8 717 462)	(10 891 204)
CAPITAL AND RESERVES						7 246 827

19. COVID-19 - GOING CONCERN

The Covid-19 pandemic has developed rapidly in 2020 and 2021. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the supply of timeshare accommodation and collection of levies, which is the revenue needed to meet its costs.
The company became fully operational towards the third quarter of 2020 and timeshare owners could once again occupy their timeshare, whilst conforming to the local regulatory Covid protocols. Management does not anticipate any reduction in levy revenues in 2021, although collection of levies will remain high priority. Should regulations change, management will reduce costs significantly to meet the negative impact on the business.
Whilst the company has significant positive net current assets of R10,106,730 and significant cash balances of R19,065,583 as at 28 February 2021, there is uncertainty as to how a third wave resurgence of the pandemic and further government imposed restrictions will affect the levy revenues.
These circumstances represent an uncertainty that may cast doubt on the company's ability to continue as a going concern, however, by performing cash flow forecasts and implementing cost cutting measures, management is satisfied that the uncertainty is not material and there are sufficient funds to cover expenditure.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the actions planned, will allow the company to remain viable and meet its obligations as they fall due in the ordinary course of business. For the basis of preparation of the consolidation, the Directors have considered the following:
- Budgeted forecasts with cost cutting measures resulting in curtailed losses that should reduce cash outflows sufficient to weather the current crisis.

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

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		R	R
1.	The following convention applies to figures other than adjustments		
	- Outflows of cash are represented by figures in brackets		
	- Inflows of cash are represented by figures without brackets		
2.	**CASH GENERATED BY SHARE BLOCK OPERATIONS**		
	Levy surplus	**8 734 411**	8 903 876
	Adjustments:		
	Interest received	**(676 254)**	(1 005 810)
		8 058 157	7 898 066
3.	**INCREASE IN WORKING CAPITAL**		
	Decrease (increase) in outstanding levies	**(1 519 856)**	(1 472 872)
	Increase (decrease) in accounts payable	**1 306 301**	615 331
	(Increase) decrease in receivables	**413 956**	(34 893)
	Decrease (increase) in inventory	**49 460**	(24 530)
		249 861	(916 964)
4.	**TAXATION PAID**		
	Taxation receivable (payable) at beginning of year	**(268 806)**	(256 033)
	Per levy operating statement	**(177 349)**	(267 370)
	Taxation payable (receivable) at end of year	**178 528**	268 806
		(267 627)	(254 597)

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED

LEVY OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2020	2019
	R	R
INCOME		
Levies		
- A class shareholders	**25 331 399**	35 909 453
- B class shareholders	**5 694 066**	1 153 591
Interest received	**676 254**	1 005 810
	31 701 719	38 068 854
EXPENDITURE		
ADMINISTRATION	**1 568 146**	1 632 304
Auditors' remuneration	**81 290**	66 960
Bank charges	**45 115**	50 638
Insurance	**665 667**	530 660
Legal & consulting fees	**4 500**	84 945
Levy collection fee	**521**	4 216
Credit card commissions	**137 999**	179 486
License fees	**269 844**	201 979
Postage and stationery	**113 556**	184 246
Printing	**111 654**	165 482
BEE / CIPC / Hotel grading / H & S audit	**21 261**	27 478
CSOS levies	**52 800**	52 800
Subscriptions	**25 169**	32 344
Donations	**3 600**	13 488
Television licenses	**35 170**	37 582
PROPERTY	**4 388 534**	4 718 520
Electricity	**1 593 182**	2 101 485
Rates	**2 006 657**	1 490 745
Sewerage	**316 168**	431 420
Refuse	**67 185**	119 336
Water	**405 342**	575 534
MAINTENANCE	**907 754**	1 229 411
Building	**224 455**	250 174
Computer	**97 876**	139 645
Electrical and mechanical	**66 869**	67 826
Elevators	**183 798**	174 972
Fire Extinguishers & alarm systems	**3 183**	6 710
Grounds and gardens	**30 665**	125 858
Indoor plants	**48 478**	96 956
Laundry equipment	**58 647**	60 342
Light bulbs	**-**	918
Motor vehicles	**21 836**	29 484
Painting materials	**10 132**	81 703
Pest control	**63 702**	67 416
Pool	**20 311**	24 583
Telephone and PABX	**68 916**	68 916
Heritage fees	**-**	8 280
Television	**8 886**	25 628
Balance carried forward	**6 864 434**	7 580 235

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED

LEVY OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
	R	R
Balance brought forward	**6 864 434**	7 580 235
SUNDRY & OPERATIONAL	**2 908 822**	3 959 679
Cartage and transport	**6 845**	9 208
Flowers	**30 918**	72 884
Guest entertainment	**281 944**	652 991
Guest supplies	**472 827**	704 223
Laundry/cleaning supplies	**227 417**	289 335
DSTV	**211 781**	422 148
Wireless services	**135 776**	176 465
Petrol and travelling	**163 825**	246 173
Replacement of operating equipment	**128 741**	183 022
Security	**1 248 748**	1 203 230
RENTAL CHARGES	**195 228**	167 707
Photostat rental	**139 485**	111 238
Vehicle rental	**55 743**	56 469
SALARIES AND WAGES	**11 751 868**	16 261 809
Administration	**3 571 207**	4 232 306
Casual wages	**233 519**	561 693
Sunday pay	**245 339**	493 844
Front office	**3 816 171**	5 027 930
Housekeeping & Laundry	**2 848 548**	4 371 097
Repairs and maintenance	**1 037 084**	1 574 939
MANAGEMENT FEES	**1 246 956**	1 195 548
TOTAL EXPENDITURE	**22 967 308**	29 164 978
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	**8 734 411**	8 903 876
TAXATION ON INVESTMENT INCOME (note 13)	**(177 349)**	(267 370)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	**8 557 062**	8 636 506

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED

LEVY OPERATING STATEMENT & BUDGET
FOR THE YEAR ENDED 31 DECEMBER 2020 AND 31 DECEMBER 2021

	Budget 2020 R	**Actual 2020 R**	Budget 2021 R
INCOME			
Levies			
- A class shareholders	38 243 025	**25 331 399**	38 243 025
- B class shareholders	1 212 779	**5 694 066**	1 497 743
Interest received	1 008 333	**676 254**	666 667
	40 464 137	**31 701 719**	40 407 435
EXPENDITURE			
ADMINISTRATION	1 891 500	**1 568 146**	2 020 074
Auditor's remuneration	72 900	**81 290**	78 732
Payroll administration	-	**-**	72 000
Bank charges	50 400	**45 115**	50 400
Insurance	661 749	**665 667**	703 719
Legal & consulting fees	60 000	**4 500**	60 000
Levy collection fee	36 000	**521**	18 000
Credit card commissions	180 600	**137 999**	180 600
License fees	298 800	**269 844**	358 800
Postage and stationery	189 900	**113 556**	177 600
Printing	168 000	**111 654**	168 000
BEE / CIPRO / Hotel grading / H & S audit	30 000	**21 261**	30 000
CSOS levies	52 800	**52 800**	52 800
Subscriptions	36 351	**25 169**	18 711
Donations	14 400	**3 600**	12 000
Television licenses	39 600	**35 170**	38 712
PROPERTY	5 371 035	**4 388 534**	5 696 610
Electricity	2 224 076	**1 593 182**	2 339 710
Rates	1 948 171	**2 006 657**	2 090 515
Sewerage	482 290	**316 168**	526 279
Refuse	128 351	**67 185**	98 649
Water	588 147	**405 342**	641 457
MAINTENANCE	1 319 332	**907 754**	1 324 564
Building	283 000	**224 455**	283 000
Computer	141 600	**97 876**	141 600
Electrical and mechanical	80 400	**66 869**	80 400
Elevators	183 885	**183 798**	183 885
Fire extinguishers & alarm systems	9 600	**3 183**	9 600
Grounds and gardens	135 000	**30 665**	135 000
Indoor plants	102 768	**48 478**	108 000
Laundry equipment	69 600	**58 647**	69 600
Light bulbs	6 000	**-**	6 000
Miscellaneous and office equipment	2 400	**-**	2 400
Motor Vehicles	30 000	**21 836**	30 000
Painting materials	88 000	**10 132**	88 000
Pest control	66 432	**63 702**	66 432
Pool	24 000	**20 311**	24 000
Telephone and PABX	68 916	**68 916**	68 916
Television	27 731	**8 886**	27 731
Balance carried forward	8 581 867	**6 864 434**	9 041 248

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

LEVY OPERATING STATEMENT & BUDGET

FOR THE YEAR ENDED 31 DECEMBER 2020 AND 31 DECEMBER 2021

	Budget 2020 R	**Actual 2020 R**	Budget 2021 R
Balance brought forward	8 581 867	**6 864 434**	9 041 248
SUNDRY & OPERATIONAL	4 265 618	**2 908 822**	4 507 932
Cartage and transport	8 160	**6 845**	8 160
Flowers	75 133	**30 918**	73 617
Guest entertainment	709 859	**281 944**	709 859
Guest supplies	738 000	**472 827**	811 800
Laundry/cleaning supplies	283 200	**227 417**	309 000
DSTV	441 190	**211 781**	442 377
Wireless services	186 000	**135 776**	240 000
Petrol and travelling	297 703	**163 825**	297 703
Replacement of operating equipment	202 200	**128 741**	214 320
Security	1 324 173	**1 248 748**	1 401 096
RENTAL CHARGES	201 770	**195 228**	238 270
Photostat rental	127 800	**139 485**	164 300
Vehicle rental	73 970	**55 743**	73 970
SALARIES AND WAGES	17 803 056	**11 751 868**	18 369 347
Administration	4 586 031	**3 571 207**	4 773 028
Casual wages	624 206	**233 519**	401 006
Sunday & public holiday pay	540 228	**245 339**	552 458
Front office	5 803 661	**3 816 171**	6 220 125
Housekeeping & Laundry	4 625 661	**2 848 548**	4 749 889
Repairs and maintenance	1 623 269	**1 037 084**	1 672 841
MANAGEMENT FEES	1 195 548	**1 246 956**	1 285 608
CONTINGENCY	20 000	**-**	20 000
TOTAL EXPENDITURE	32 067 859	**22 967 308**	33 462 405
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	8 396 278	**8 734 411**	6 945 030
TAXATION FOR THE YEAR	(282 333)	**(177 349)**	(186 667)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	8 113 945	**8 557 062**	6 758 363

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

LEVY EXPENSE SUMMARY

Expense Category	Budget 2020 Average per unit per day R	Budget 2020 Percentage of total levy %	**Actual 2020 Average per unit per day R**	**Actual 2020 Percentage of total levy %**	Budget 2021 Average per unit per day R	Budget 2021 Percentage of total levy %
Administration	47.24	5	**39.16**	**5**	50.45	5
Property	134.14	13	**109.60**	**14**	142.27	14
Maintenance	32.95	3	**22.67**	**3**	33.08	3
Sundry & operational	106.53	11	**72.65**	**9**	112.59	11
Rental	5.04	0	**4.88**	**1**	5.95	1
Salaries & wages	444.63	46	**293.50**	**37**	458.77	46
Management fees	29.86	3	**31.14**	**4**	32.11	3
Contingency	0.50	0	**0.00**	**0**	0.50	0
Total expenditure	800.90	79	**573.61**	**72**	835.72	83
Surplus transferred to reserve for expenditure on fixed assets	209.70	21	**218.14**	**28**	173.45	17
TOTAL	1010.59	100	**791.75**	**100**	1009.18	100

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

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

Notice to "A" Members

Notice is hereby given that the thirty first annual general meeting of the "A" class shareholders of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 27th May 2021 at 11h30, to deal with such business as may lawfully be dealt with at the meeting in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

Record Dates

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

- Record date to receive the notice of the AGM — Monday, 3 May 2021
- Record date to be eligible to participate in and vote at the AGM — Friday, 21 May 2021
- Last date for lodging proxy forms — 11:30 Tuesday, 25 May 2021

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

Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to account@peninsula.co.za, by no later than 12h00 on Monday, 24 May 2021 that they wish to participate via electronic communication at the AGM (**"the electronic notice"**). In order for the electronic notice to be valid it must contain:

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

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before close of business on Tuesday, 25 May 2021, to notify the shareholder who has delivered a valid

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

Agenda

1. To consider the report of the directors, audit committee and external auditors insofar as they relate to the levy fund for the period ended 31 December 2020. (Please note: The Annual Report, which includes the report of the directors, audit committee and external auditors, as well as the levy fund, can be found on www.peninsula.co.za.)

2. To determine the amount and manner of insurance of the improvements on the unit property.

3. General – Items for discussion only.

   Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on the 24th May 2021. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

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

Please note: The Annual Report can be found on www.peninsula.co.za.

By order of the board

Leisure Options (Pty) Ltd
Secretaries

30 April 2021

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

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

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

Notice is hereby given that the thirty first annual general meeting of the "A" and "B" class shareholders (being all the shareholders) of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 27th May 2021 at 12h00 (or immediately after the annual general meeting of the "A" class shareholders scheduled for 11h30, whichever is the later time), to deal with such business as may lawfully be dealt with at the meeting and the ordinary resolutions, set out hereunder, in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

Record Dates

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

- Record date to receive the notice of the AGM — Monday, 3 May 2021
- Record date to be eligible to participate in and vote at the AGM — Friday, 21 May 2021
- Last date for lodging proxy forms — 12:00 Tuesday, 25 May 2021

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

Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to account@peninsula.co.za, by no later than 12h00 on Monday, 24 May 2021 that they wish to participate via electronic communication at the AGM (**"the electronic notice"**). In order for the electronic notice to be valid it must contain:

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

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

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Fax: 0117061044 / 0864719721

The Company shall use its reasonable endeavours on or before close of business on Tuesday, 25 May 2021, to notify the shareholder who has delivered a valid electronic notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

Agenda

1. To consider the annual financial statements for the period ended 31 December 2020. (Please note: The Annual Report, which includes the annual financial statements, can be found on www.peninsula.co.za.)

2. Ordinary Resolution Number 1
   To appoint BDO Cape Inc. as the auditors of the Company.
   The reason for the resolution is to ensure that the Company continues to enjoy the services of an auditor and the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.

3. Ordinary Resolution Number 2
   To approve the re-appointment as directors of the Company, of Hugh Patrick and Weston Dickson. Pursuant to the Companies Act, the re-appointment of each of the abovenamed directors shall be conducted by a separate show of hands or a separate poll, as applicable.
   The reason for the resolution is that in terms of clause 19 of the Memorandum of Incorporation ("MoI") of the Company, each director elected by the "A" class shareholders shall be entitled to hold office for a period of 3 (three) years, whereafter each such director shall automatically retire from office, but shall be eligible for re-election. The two abovenamed directors have advised the Company of their willingness to be re-elected as directors of the Company. The effect of the resolution, if passed, will be to secure the re-election of experienced directors to the Board of the Company.

4. Ordinary Resolution Number 3
   To approve the re-appointment of the Audit Committee of the Company, consisting of Hugh Patrick (Chairman), Weston Dickson and Nicholas Dickson.
   The reason for the resolution is to ensure that the Company continues to appoint an Audit Committee, pursuant to the Companies Act and continues to enjoy the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.

5. Ordinary Resolution Number 4
   To approve the re-appointment of the Social & Ethics Committee of the Company, consisting of Chris Godenir (Chairman), Hugh Patrick, Vee de Freitas, Brent Johansen and Lwandile Makubalo.
   The reason for the resolution is to ensure that the Company continues to appoint a Social & Ethics Committee, pursuant to the Companies Act. The effect of the resolution, if passed, will be to achieve such continuity.

6. To receive a report back on the progress of the Company in obtaining nominated e-mail addresses from all shareholders, for formal communications from the Company.

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
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7. Ordinary Resolution Number 5
   To approve that any director of the Company be and he is hereby authorised, on behalf of the Company, to do all things and sign all such documents as may be necessary to give effect to the aforegoing resolutions.

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

8. General – Items for discussion only.

Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on the 24th May 2021. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

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

Please note: The Annual Report can be found on www.peninsula.co.za.

By order of the board

Leisure Options (Pty) Ltd
Secretaries

30 April 2021

The

PENINSULA

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

310 Main Road, Bryanston 2021
P.O.Box 786027, Sandton 2146

Tel: 0112678300 / 0214307777
Fax: 0117061044 / 0864719721

Form of proxy for use by the shareholders at the thirty first annual general meeting of "A" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 27th May 2021 at 11h30.

Form of Proxy

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

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

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

	In favour of	Against	Abstain
Resolution 1*			
Resolution 2*			

* Refer "Notice of meeting"

Signed at……..this…….day of……..2021.

…….
Signature Assisted by me (where applicable)

Notes

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

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

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

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

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

The

PENINSULA

310 Main Road, Bryanston 2021

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07 P.O.Box 786027, Sandton 2146
("the company")

Tel: 0112678300 / 0214307777
Fax: 0117061044 / 0864719721

Form of proxy for use by the shareholders at the thirty first annual general meeting of "A" and "B" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 27th May 2021 at 12h00 (or immediately after the annual general meeting of the "A" class members scheduled for 11h30, whichever is the later time).

Form of Proxy

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

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

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

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

* Refer "Notice of meeting"

Signed at……..this…….day of……..2021.

…….
Signature Assisted by me (where applicable)

Notes

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

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

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

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