



INTERNATIONAL VACATION RESORT

2010 ANNUAL REPORT



BANTRY COURT SHARE BLOCK LIMITED
(Registration No. 1926/002586/06)

ANNUAL REPORT 2010

BANTRY COURT SHARE BLOCK LIMITED

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REGISTERED OFFICE

Tannery Park 23 Belmont Road Rondebosch 7700

DIRECTORS

I Sacker (Chairman)
D S Cameron
E L Reppert
E M Strickland
J W Maree

MANAGING AGENT

Ovland Management Services (Pty) Ltd.
P.O. Box 155 Rondebosch 7701

TRANSFER SECRETARIES

Ovland Management Services (Pty) Ltd
Tannery Park 23 Belmont Road Rondebosch 7700
PO Box 155 Rondebosch 7701

BANKERS

First National Bank
Great Westerford 240 Main Road Rondebosch 7700

AUDITORS

Mazars
PO Box 2817 Cape Town 8000

NOTICE OF ANNUAL GENERAL MEETING

BANTRY COURT SHARE BLOCK LIMITED

Notice is hereby given that the twenty-third annual general meeting of shareholders of Bantry Court Share Block Limited will be held at the Ambassador By The Sea Hotel, Victoria Road, Bantry Bay on 6 June 2011 at 17h30 for the following business:

1. Financial Statements and Reports

To receive, approve and adopt the financial statements of the company for the year ended 31 December 2010, together with the reports of the directors and auditors.

2. Directorate

To elect directors in accordance with the company's Articles of Association. All the directors retire annually in terms of the Articles of Association, but, being eligible, offer themselves for re-election.

3. Insurance

To receive and approve the schedule of insurance for the ensuing year.

4. Auditors

To fix the auditors' remuneration for the past audit.

5. General

To transact such other business as may be transacted at an annual general meeting.

A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his/her stead. Such proxy need not be a member of the company.

By order of the Board

F J Jenkins

Ovland Management Services (Pty) Ltd

Secretaries

Cape Town

14 April 2011

SCHEDULE OF INSURANCES

BANTRY COURT SHARE BLOCK LIMITED

New policy with effect 1 January 2011

Class of insurance	Sum insured/limit
BUILDINGS COMBINED	
Buildings	R62 018 804
Contents	R7 165 200
OFFICE CONTENTS	R55 660
CONSEQUENTIAL LOSS	
Gross revenue (levies)	R7 450 000
AICOW	R1 000 000
MONEY	R10 000
BUSINESS ALL RISKS	R27 000
GLASS	R20 000
ELECTRONIC EQUIPMENT	R346 653
LIABILITIES	
General/tenants and property owners	R21 000 000
Legal defence costs	R100 000
Wrongful arrest	R100 000
Visitors/guest vehicles	R500 000
Visitors/guest vehicles contents	R100 000
Visitors/guest personal effects	R100 000
MOTOR	R351 700
SASRIA RIOT AND STRIKE	
Fire	R62 018 804
Consequential loss (levies)	R7 450 000
Money	R10 000
Motor	R351 700

MINUTES OF 2010 ANNUAL GENERAL MEETING

BANTRY COURT SHARE BLOCK LIMITED: MINUTES OF THE TWENTY-SECOND ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT THE AMBASSADOR HOTEL, VICTORIA ROAD, BANTRY BAY ON 28 APRIL 2010

PRESENT:

I Sacker (Chairman)
D S Cameron
E L Reppert
E M Strickland
J W Maree
Twenty-one shareholders representing 26 weeks in person
232 shareholders representing 416 weeks represented by proxy

APOLOGIES:

Apologies were received from 2 shareholders

IN ATTENDANCE:

F J Jenkins (representing Ovland Management Services (Pty) Ltd)

The Chairman welcomed the shareholders to the meeting and announced that, as a quorum was present, the meeting was duly constituted. It was unanimously agreed to take the notice of meeting as read.

The Annual Financial Statements, Report of the Directors, and Report of the Auditors for the year ended 31 December 2009 were tabled. On a motion from the chairman, the meeting unanimously agreed to take these as read.

Mr. Jenkins advised the meeting that, in order to meet the request raised at the 2009 Annual General Meeting, the expenditure schedule in the Detailed Income Statement had been expanded. Unfortunately, not all the comparative figures had been adjusted to reflect a true comparison, and he outlined those expenses that were affected. Any shareholders requiring an amended income statement would receive it on request.

Queries had also been raised regarding the apparent large increase in audit fees between 2008 and 2009. He advised that, to comply with Generally Accepted Accounting Practice, the company had ceased accruing for audit fees in 2008. The amount reflected

in the 2008 Income Statement represented an under accrual for the 2007 year, while the amount reflected in the 2009 Income statement represented the actual amount for the 2008 audit. The total bill for 2007 was R41 950 against the 2008 fee of R46 252

The chairman opened the meeting to questions regarding the Annual Financial Statements.

- Mr. Gunning queried where the electricity cost was reflected in the Income Statement and was advised that it was reflected under "Utilities"
 - Mr. Van Niekerk raised the question of directors' remuneration and it was agreed that this be deferred for discussion under "General", once the statutory business had been dealt with.
 - Mr. Wengrove raised a question regarding rates, and the increases going forward. It was noted that, subsequent to our objections to the 2006 valuations, the new valuations reflected a significant drop in value. We would only be able to quantify the monetary value once we know what the actual rates increases for the coming year would be.
 - Mr. Pullin then seconded the motion by the chair-
-

man that the Annual Financial Statements, the Report of the Auditors, and all the acts taken by the directors during the year ended 31 December 2009, be approved. The motion was unanimously carried.

The chairman tabled the schedule of insurances for 2010 and asked if there were any questions relating to the insurance schedule.

Dr. van Niekerk raised a question regarding Directors Indemnity insurance. It was advised that the resort had a large liability policy, but there is uncertainty if it covers the director's actions. It was agreed that this be investigated.

On a motion by the chairman, seconded by Dr. van Niekerk, it was resolved that the schedule of insurance values for 2010, as determined by management in collaboration with the company's brokers and as set out in the notice convening the meeting, be and is hereby approved.

The chairman advised that, in terms of the Company's Articles of Association, all the directors retire annually at the Annual General Meeting. All the existing directors had made themselves available for re-election and no additional nominations had been received.

On a motion from the Chairman, seconded by Mr. Wengrove, the meeting unanimously agreed to re-elect the following as directors of the company for the ensuing year:

Mr. I Sacker

Mr. E L Reppert

Mr. D S Cameron

Mr. E Strickland

Mr. J W Maree.

On a motion from the chairman, seconded by Mr. Strickland, it was resolved that the auditors remuneration for the past audit, totalling R50 000, be approved.

There being no further statutory business, the chairman invited comments from the floor.

The matter of directors' remuneration was raised and discussed. Mrs. van Niekerk suggested a system of fees payable for attendance at meetings, while other

shareholders felt that a basic remuneration with or without an attendance fee would be appropriate. After discussion Mr. Strickland advised that, prior to the 2009 Annual General Meeting, the local directors, who attended monthly meetings, received a flat fee of R3 500 per month, while the out of town directors, who attended quarterly meetings, received a monthly fee of R1 500 plus their travelling costs. On a motion from Dr. van Niekerk, seconded by Ms. Andrews, the meeting unanimously agreed that this be reinstated, with some adjustment for inflation.

Mr. Cameron suggested a vote of thanks be extended to Messrs. Daly and Jenkins for the improved Annual Report, which was unanimously accepted.

Mr. Jack expressed his thanks to the management and staff of the resort for making guests feel so welcome. He said it felt like "coming home" when he arrived at the resort, and was proud of being an owner.

Mr. Jenkins then tabled proposals received from a shareholder, Mrs. Lamprechts:

1. That the AGM be held on a Saturday or Sunday. After discussion the proposal was rejected, but, at the request of Mrs. Goldie van Heerden, it was agreed to look at the possibility of starting the meeting later, so that those who worked could attend.
2. That the AGM be held earlier in the year. Mr. Jenkins pointed out that, given the fact that the Annual Financial Statements had to be audited, and a statutory notice period of 21 days had to be given, this was not really practical. As it was, this year's AGM had been brought forward from June to April, and this was about the earliest all the requirements could be met. The proposal was rejected.
3. That cleaning of the units only be undertaken once a week, and that anyone who wanted their units cleaned more often, be required to pay for the extra cleaning. After discussion this proposal was also rejected by the owners.

Mr. Cameron then proposed a vote of thanks to the

Chairman, which was seconded by the meeting.

Mr. Strickland referred to the events that had taken place at the 2009 AGM, and thanked all shareholders for the support given to the Board. A special vote of thanks was extended to those who had attended the meeting, and to those who had taken the trouble to submit their proxies.

The Chairman extended a vote of thanks to the other members of the Board, the Company's managing agents and the manager and staff of the resort for all the assistance received during the past year.

There being no further business, the chairman thanked the members for their attendance and declared the meeting closed at 16h57. Members were invited to join the board for refreshments.

Confirmed

A handwritten signature in black ink, appearing to read 'Dacker', with a horizontal line underneath it.

CHAIRMAN

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

BANTRY COURT SHARE BLOCK LIMITED

It gives me pleasure to present my report on the activities of your company for the year ended 31 December 2010. The attached financial statements set out the results of the company in detail and in addition we have included a supplementary schedule giving more detail in respect of certain items which are aggregated by the auditors.

Members are aware of the attempted take over of the Board at the 2009 Annual General Meeting. In last year's Annual report we encouraged you to submit your proxies, to prevent a re-occurrence. Your Board and I were thrilled at the response, with over 25% of shareholders sending in their proxies. However, we cannot rest on our laurels and I urge all shareholders unable to attend the Annual General Meeting to once again forward their proxy to the Company secretary.

The financial position of the company is going from strength to strength. At the end of 2009, the net current assets of the company amounted to R426 000. As a result of prudent budgeting and effective control over costs, this has increased to R612 000 at the end of 2010. This despite the fact that the Kombi was replaced with a new Toyota Quantum, for which we were able to pay cash. With the strong balance sheet, and the reduced rates costs as a result of the revaluation of the property, we were able to keep the 2011 levies at the same level as they were in 2010. In these inflationary times there are not many resorts (if any) who were able to do so. Unfortunately, with the large electricity increases in the pipeline, and the increases in other administered costs, it will not be possible to do the same next year.

Following the cancellation of Directors salaries at the 2009 Annual General Meeting, payment of directors' remuneration was unanimously re-instated at the 2010 Annual General Meeting. The directors are grateful to the members for their support, particularly in the light of the sometimes onerous responsibilities placed on them in terms of the Company's Act.

As indicated previously, my fellow directors and I always welcome constructive criticism as that is the only way that we can gauge the levels of satisfaction or otherwise among the owners. While comments on the guest questionnaires are often brought to our attention, we seldom get any other feed back from shareholders. Should you have any criticism or comments, please feel free to contact me, or the Company's managing agent.

As many of you are aware, major rebuilding is taking place on the property adjacent to the resort. This is causing considerable inconvenience for our guests, both with regard to the noise and the dust and other debris in the air. Management is in constant discussions with the developers and, while we cannot prevent them from continuing with their work, every effort is being made to mitigate the times during which our guests are being inconvenienced. Please bear with us in this regard. It would appear that the worst noise will be over by the end of June this year, but building work will continue well into 2012.

Maintaining a resort of the nature of Bantry Bay, within the constraints of the budget set by the Board, is no easy task, and I would once again commend the management of the resort on the manner in which the expenditure is controlled, while maintaining the high standards to which shareholders and guests are accustomed. Bantry Bay remains one of the premier timeshare resorts in South Africa, and my sincere appreciation is extended to the manager, Mr Sean Daly, and his staff for their efforts during the past year in keeping Bantry Bay as one of the most sought-after timeshare resorts in South Africa, in recognition of which the resort continues to enjoy RCI Gold Crown status. In addition the resort was a finalist in its category at the recent the AA hospitality awards.

Discussions are being held with Interval International, the other major international timeshare exchange organisation, with a view to affiliating with them. Our hope was to have a dual affiliation with them and

RCI, but RCI are not amenable to this. From feedback received, it would appear that a large number of shareholders are in favour of the move. RCI have indicated that, should the resort affiliate with Interval, it will not negatively impact those RCI members who wish to retain their RCI membership. Discussions are ongoing, and members will be kept up to date on the progress thereof, and the final decision of the Board.

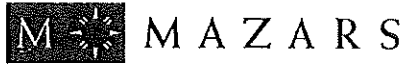
My personal thanks also go to the members of the Board and to our managing agents (Ovland) for their unselfish and unstinting support and contribution to the past year.

A handwritten signature in black ink, appearing to read 'I Sacker', with a long horizontal flourish extending to the right.

I SACKER

Cape Town

14 April 2011



BANTRY COURT SHARE BLOCK LIMITED
(Registration number 1926/002856/06)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Share block company
Directors	I Sacker E L Reppert D S Cameron E M Strickland J W Maree
Registered office	Tannery Park 23 Belmont Road Rondebosch 7700
Auditors	Mazars Registered Auditor
Secretary	Ovland Management Services (Proprietary) Limited
Company registration number	1926/002856/06

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
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The reports and statements set out below comprise the annual financial statements presented to the members:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANTRY COURT SHARE BLOCK LIMITED

We have audited the annual financial statements of Bantry Court Share Block Limited, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 23.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Continued

REGISTERED AUDITOR — A FIRM OF CHARTERED ACCOUNTANTS (SA)

MAZARS HOUSE RIALTO ROAD GRAND MOORINGS PRECINCT CENTURY CITY 7441 • PO Box 134 CENTURY CITY 7446 • DOCEX 9 CENTURY CITY
TEL: +27 21 818 5000 • FAX: +27 21 818 5001 • cpt@mazars.co.za • www.mazars.co.za

MAZARS — AN APPROVED FINANCIAL SERVICES PROVIDER

PARTNERS: H SAVEN (NATIONAL CHAIRMAN), FC MACCILLIVRAY (MANAGING PARTNER), YJ BRISTOW, C EURCER, H CASPER, DPC COLYN, DS DOLLMAN, M EDELBERG, Y FERREIRA, L GOTTSCHALK, K HOOSAIN, MY ISMAIL, MC OLCKERS, M PEENS, 'HJ RAUBENHEIMER, D RESNICK, RA ROBISON, BG SACKS, MA SALEE, N SILBOWITZ, SM SOLOMON, HH SWANEMPOEL, ZT TROPPER, JC VAN TUBBERGH, CD WRIGHT, K ZAACKS

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT WWW.MAZARS.CO.ZA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANTRY COURT SHARE BLOCK LIMITED (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bantry Court Share Block Limited at 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 24 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

MAZARS

MAZARS
Partner: Norman Silbowitz
Registered Auditor
13 April 2011
Cape Town

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

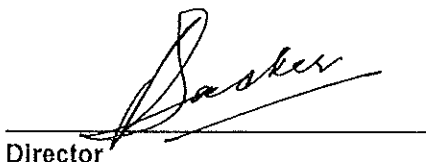
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2011 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 13 April 2011 and were signed on its behalf by:


Director


Director

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Directors' Report

The directors submit their report for the year ended 31 December 2010.

1. Review of activities

Main business and operations

The company operates a "Timeshare Scheme" on a share block basis and operates principally in South Africa. The company's shares are allocated into share blocks, each of which conveys the right of occupation of a specific unit for a specific week of each year.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year and the date of this report.

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

5. Non-current assets

Additions to property plant and equipment for the year amounted to R 1,086,820 (2009: R 513,237). There were no other major changes in non current assets for the period or any changes in the policy relating to their use.

6. Dividends

In terms of Section 21 of the Companies Act of South Africa, the company is prohibited from declaring any dividends, consequently no dividends were paid, declared or proposed.

7. Directors

The directors of the company during the year and to the date of this report are as follows:

Name
I Sacker
E L Reppert
D S Cameron
E M Strickland
J W Maree

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Directors' Report

8. Secretary

The secretary of the company is Ovland Management Services (Proprietary) Limited of:

Business address	Tannery Park 23 Belmont Road Rondebosch 7700
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Postal address	P O Box 155 Rondebosch 7701
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9. Auditors

Mazars will continue in office in accordance with section 270(2) of the Companies Act.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
Assets			
Non-Current Assets			
Investment property	2	94,030,000	94,030,000
Property, plant and equipment	3	1,941,562	1,289,026
		95,971,562	95,319,026
Current Assets			
Inventories	4	240,809	85,321
Trade and other receivables	5	247,803	201,989
Cash and cash equivalents	6	3,131,458	2,585,292
		3,620,070	2,872,602
Total Assets		99,591,632	98,191,628
Equity and Liabilities			
Equity			
Share capital	7	1,734	1,734
Retained income		91,751,336	90,913,469
		91,753,070	90,915,203
Liabilities			
Non-Current Liability			
Loans from shareholders	8	4,830,468	4,830,468
Current Liabilities			
Current tax payable		80,463	28,268
Trade and other payables	9	2,927,631	2,417,689
		3,008,094	2,445,957
Total Liabilities		7,838,562	7,276,425
Total Equity and Liabilities		99,591,632	98,191,628

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Statement of Comprehensive Income

Figures in Rand	Note(s)	2010	2009
Revenue	10	6,592,983	5,773,740
Other income		297,135	169,902
Operating expenses		(6,203,419)	(5,784,814)
Operating profit	11	686,699	158,828
Investment revenue	12	280,899	307,155
Profit before taxation		967,598	465,983
Taxation	13	(129,731)	(118,308)
Profit for the year		837,867	347,675

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 January 2009	1,734	90,565,794	90,567,528
Changes in equity			
Total comprehensive income for the year	-	347,675	347,675
Total changes	-	347,675	347,675
Balance at 01 January 2010	1,734	90,913,469	90,915,203
Changes in equity			
Total comprehensive income for the year	-	837,867	837,867
Total changes	-	837,867	837,867
Balance at 31 December 2010	1,734	91,751,336	91,753,070
Note	7		

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Statement of Cash Flows

Figures in Rand	Note(s)	2010	2009
Cash flows from operating activities			
Cash generated from operations	14	1,294,741	995,038
Interest income		280,899	307,155
Tax paid	15	(77,536)	(111,724)
Net cash from operating activities		1,498,104	1,190,469
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1,086,820)	(513,237)
Sale of property, plant and equipment	3	134,882	1,700
Net cash from investing activities		(951,938)	(511,537)
Total cash movement for the year		546,166	678,932
Cash at the beginning of the year		2,585,292	1,906,360
Total cash at end of the year	6	3,131,458	2,585,292

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	5 years
Motor vehicles	5 years
Electrical equipment	8 years
Computer equipment	3 years
Computer software	3 years
Carpets	5 years
Lifts	12 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Accounting Policies

1.2 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans from shareholders

These financial liabilities are classified as financial liabilities at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances. These are initially and subsequently recorded at fair value.

1.4 Tax

Current tax assets and liabilities

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

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

The company is taxed in terms of section 10(1)(e) of the Income Tax Act of 1962. This section provides for the exemption of levies from income tax provided that the company applies to its local Revenue officer for such exemption. Other income is taxed at the company rate in South Africa after the deduction of a proportionate share of deductible expenses. As from commencement of years of assessment ending on or after 1 January 2009, R50,000 of other income is exempt from taxation.

No deferred tax is provided.

1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Accounting Policies

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.9 Revenue

The company earns revenue from levies charged for the use of investment property.

Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax.

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

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

2. Investment property

	2010			2009		
	Valuation	Accumulated impairments	Carrying value	Valuation	Accumulated impairments	Carrying value
Investment property	94,030,000	-	94,030,000	94,030,000	-	94,030,000

Reconciliation of investment property - 2010

	Opening balance	Total
Investment property	94,030,000	94,030,000

Reconciliation of investment property - 2009

	Opening balance	Total
Investment property	94,030,000	94,030,000

Details of valuation

The effective date of the valuations was 29 January 2011. Valuations were performed by an independent qualified valuer, Mr M.R.B Gibbons of Mills Fitchet Magnus Penny (Pty) Ltd. Mills Fitchet Magnus Penny (Pty) Ltd are not connected to the company and have recent experience in location and category of the investment property being valued.

Details of property

Bantry Court

The property consist of 36 units in the building known as Bantry Court situated at 44A Victoria Road, Bantry Bay, Cape Town.

- Purchase price:	3,527,869	3,527,869
- Additions since purchase or valuation	356,703	356,703
- Accumulated fair value adjustment	90,145,428	90,145,428
	94,030,000	94,030,000

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand 2010 2009

3. Property, plant and equipment

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	2,249,119	(1,126,367)	1,122,752	1,626,732	(996,586)	630,146
Motor vehicles	297,746	(19,850)	277,896	263,945	(228,752)	35,193
Electrical equipment	541,337	(266,870)	274,467	512,430	(222,745)	289,685
Computer equipment	92,877	(77,091)	15,786	83,192	(63,975)	19,217
Computer software	72,109	(52,218)	19,891	72,109	(28,184)	43,925
Carpets	82,179	(71,371)	10,808	79,007	(55,305)	23,702
Lifts	326,478	(106,516)	219,962	326,478	(79,320)	247,158
Total	3,661,845	(1,720,283)	1,941,562	2,963,893	(1,674,867)	1,289,026

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	630,146	724,326	(142)	(231,578)	1,122,752
Motor vehicles	35,193	297,746	(10,002)	(45,041)	277,896
Electrical equipment	289,685	51,891	(5,961)	(61,148)	274,467
Computer equipment	19,217	9,685	-	(13,116)	15,786
Computer software	43,925	-	-	(24,034)	19,891
Carpets	23,702	3,172	-	(16,066)	10,808
Lifts	247,158	-	-	(27,196)	219,962
	1,289,026	1,086,820	(16,105)	(418,179)	1,941,562

Reconciliation of property, plant and equipment - 2009

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	311,817	456,778	(643)	(137,806)	630,146
Motor vehicles	87,982	-	-	(52,789)	35,193
Office equipment	292,436	56,459	(2,166)	(57,044)	289,685
IT equipment	31,446	-	-	(12,229)	19,217
Computer software	65,884	-	-	(21,959)	43,925
Carpets	39,504	-	-	(15,802)	23,702
Lifts	274,353	-	-	(27,195)	247,158
	1,103,422	513,237	(2,809)	(324,824)	1,289,026

4. Inventories

Consumables	240,809	85,321
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BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
5. Trade and other receivables		
Trade receivables	153,281	102,380
Prepayments	6,684	6,805
VAT	79,900	71,110
Sundry debtors	7,938	21,694
	<u>247,803</u>	<u>201,989</u>

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired are evaluated by management on an ongoing basis. In assessing the credit quality of customers, management takes into account their financial position, past experience and other factors.

Fair value of trade and other receivables

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such cost.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 December 2010, R145,079 (2009: R79,334) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	1,644	2,664
2 months past due	3,038	1,365
3 months past due	140,397	75,305
	<u>145,079</u>	<u>79,334</u>

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	<u>3,131,458</u>	<u>2,585,292</u>
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7. Share capital

Authorised

8,670 Ordinary shares of R0.20 each	<u>1,734</u>	<u>1,734</u>
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Issued

8,670 Ordinary Shares of R0.20 each	<u>1,734</u>	<u>1,734</u>
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BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
8. Loans from shareholders		
Loans from shareholders	4,830,468	4,830,468
<p>The loans are unsecured and interest free. In terms of Article 10 of the Articles of Association, the loans are only repayable if authorised by a Special Resolution or if the company is wound up. The terms of repayment are therefore not fixed. The loans are recorded at cost as there is uncertainty as to the timing of future cash flows.</p>		
9. Trade and other payables		
Trade payables	179,038	184,309
Amounts received in advance	2,623,998	2,166,673
Accruals	124,595	66,707
	2,927,631	2,417,689
Fair value of trade and other payables		
<p>Trade and other payables are carried at amortised cost, with the fair value being approximated by such cost.</p>		
10. Revenue		
Levy income	6,592,983	5,773,740
11. Operating profit		
<p>Operating profit for the year is stated after accounting for the following:</p>		
Operating lease charges		
Premises		
• Contractual amounts	51,500	43,401
(Profit) loss on sale of property, plant and equipment	(118,777)	1,109
Depreciation	418,179	324,824
Employee costs	1,530,997	1,370,619
12. Investment revenue		
Interest revenue		
Bank	177,640	225,330
Levy interest	103,259	81,825
	280,899	307,155

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
13. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	129,731	118,308
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	28.00 %	28.00 %
Exempt income - in terms of Section 10(1)(e) of the Income Tax Act	(190.79)%	(363.07)%
Capital gains tax	(1.71)%	- %
Disallowable charges	179.51 %	360.74 %
Allowable charges	(1.60)%	(0.28)%
	13.41 %	25.39 %
14. Cash generated from operations		
Profit before taxation	967,598	465,983
Adjustments for:		
Depreciation	418,179	324,824
(Profit) loss on sale of assets	(118,777)	1,109
Interest received	(280,899)	(307,155)
Changes in working capital:		
Inventories	(155,488)	(41,137)
Trade and other receivables	(45,814)	30,491
Trade and other payables	509,942	520,923
	1,294,741	995,038
15. Tax paid		
Balance at beginning of the year	(28,268)	(21,684)
Current tax for the year recognised in profit or loss	(129,731)	(118,308)
Balance at end of the year	80,463	28,268
	(77,536)	(111,724)
16. Auditor's remuneration		
Fees	45,000	46,252

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
17. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	350,074	733,644
- in second to fifth year inclusive	513,370	545,445
	<u>863,444</u>	<u>1,279,089</u>

Operating lease payments represent rentals payable by the company. Leases are negotiated for an average term of five years. No contingent rent is payable.

18. Directors' emoluments

Executive

2010	Emoluments	Total
For services as directors	<u>153,464</u>	<u>153,464</u>
2009	Emoluments	Total
For services as directors	<u>85,355</u>	<u>85,355</u>

19. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2010

	Loans and receivables	Total
Trade and other receivables	153,281	153,281
Cash and cash equivalents	3,131,458	3,131,458
	<u>3,284,739</u>	<u>3,284,739</u>

2009

	Loans and receivables	Total
Trade and other receivables	102,380	102,380
Cash and cash equivalents	2,585,292	2,585,292
	<u>2,687,672</u>	<u>2,687,672</u>

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2010

	Financial liabilities at amortised cost	Total
Loans from shareholders	4,830,468	4,830,468
Trade and other payables	179,038	179,038
	<u>5,009,506</u>	<u>5,009,506</u>

2009

	Financial liabilities at amortised cost	Total
Loans from shareholders	4,830,468	4,830,468
Trade and other payables	184,309	184,309
	<u>5,014,777</u>	<u>5,014,777</u>

21. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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21. Risk management (continued)

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2010	Less than 1 year
Trade and other payables	2,927,631
Loans from shareholders	4,830,468
At 31 December 2009	Less than 1 year
Trade and other payables	2,417,689
Loans from shareholders	4,830,468

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

BANTRY COURT SHARE BLOCK LIMITED
Annual Financial Statements for the year ended 31 December 2010
Detailed Income Statement

Figures in Rand	Note(s)	2010	2009
Revenue			
Levy income		6,592,983	5,773,740
Other income			
Discount received		-	7,018
Gains on disposal of assets		118,777	-
Interest received	12	280,899	307,155
Other income		178,358	162,884
		578,034	477,057
Operating expenses			
Administration and management fees		(302,400)	(287,062)
Assessment rates & municipal charges		(332,502)	(430,336)
Auditors remuneration	16	(45,000)	(46,252)
Bad debts		-	(5,000)
Bank charges		(20,995)	(13,101)
Cleaning		(952,984)	(862,173)
Commission paid		(69,593)	(61,513)
Depreciation		(418,179)	(324,824)
Employee costs		(1,530,997)	(1,370,619)
Guest supplies		(154,879)	(142,101)
Insurance		(109,482)	(83,571)
Laundry		(177,722)	(166,716)
Lease rentals on operating lease		(51,500)	(43,401)
Loss on disposal of assets		-	(1,109)
Motor vehicle expenses		(28,341)	(40,449)
Parking		(119,705)	(92,802)
Postage		(8,629)	(15,777)
Printing and stationery		(58,461)	(70,444)
Repairs and maintenance		(1,041,324)	(946,973)
Replacement costs		(37,148)	(19,408)
Reserve funding		(560)	-
Security		(279,603)	(252,967)
Staff welfare		(22,839)	(22,504)
Stock adjustment		102,556	-
Subscriptions		(24,447)	(35,557)
Sundry expense		(65,566)	(58,172)
Telephone and fax		(65,006)	(62,952)
Television subscription		(79,113)	(73,001)
Utilities		(309,000)	(256,030)
		(6,203,419)	(5,784,814)
Profit before taxation		967,598	465,983
Taxation	13	(129,731)	(118,308)
Profit for the year		837,867	347,675

SUPPLEMENTARY INFORMATION FOR YEAR ENDED 31 DECEMBER 2010

BANTRY COURT SHARE BLOCK LIMITED

	2010	2009
Employee costs	1 530 997	1 370 619
Staff salaries	1 291 444	1 205 864
Directors' remuneration	153 464	85 355
Directors' travelling	21 704	30 704
Medical aid	53 502	48 696
Workmen's compensation	10 883	–
Printing & stationery	58 461	70 444
Printing	32 120	41 082
Stationery	26 341	29 362
Repairs & maintenance	1 041 324	946 973
Building maintenance	898 662	788 924
Computer maintenance	23 737	31 991
Elevator maintenance	18 480	16 500
Office equipment maintenance	5 529	11 720
Other maintenance	–	7 008
Pest control	6 789	6 286
Pool maintenance	12 000	11 000
Telephone maintenance	17 873	16 152
Television & radio maintenance	58 254	57 392
Staff welfare	22 839	22 504
Staff training	10 594	11 865
Staff awards	5 475	3 541
Uniforms	6 770	7 098
Sundry expenses	65 566	58 172
Body corporate levies	1 450	1 336
Autopagers	12 159	9 500
Refreshments & AGM costs	34 485	42 237
Sundry	17 472	5 099
Utilities	309 000	256 030
Electricity	215 000	170 000
Refuse removal	48 000	44 030
Water	46 000	42 000

OWNER INFORMATION UPDATE

Please complete and return the form below to ensure that the information we have on file is correct and up to-date, alternatively email us at **banbayrs@iafrica.com**.

Name: _____

Apartment/s: _____ Week/s : _____

Postal address: _____

Postal code: _____

Home telephone: _____ (Code) _____

Work telephone: _____ (Code) _____

Fax number: _____ (Code) _____

Cellular phone: _____

Email address: _____

RCI Membership number: _____

Facilitating electronic transactions declaration (email communication)

Name of owner: _____

E mail address: _____

I hereby accept that information may be sent to the above email address in the form of a data message. I understand it is my responsibility to advise the resort of any change to the above address.

Signature of owner: _____





INTERNATIONAL VACATION RESORT

Tel +2721 4390333 • Fax +2721 4390340 • Email: banbayrs@iafrica.com