



Board of Directors' Annual Report 2007/ 2008

Introduction

The 2007/ 2008 financial year was certainly one of the more successful years in the history of Prince's Grant. The Board of Directors saw some changes in September with Dave Starkey and Sharmin Pillay stepping down and being replaced with Brian Kelley and Hubert Mimm. Don Schoeman, who led the Board since 2005, had to resign as a board member in December due to him taking up residence in the United States of America. Dave Miller was duly elected by the board to step in as Chairman, a position he is well qualified to fill.

Staff Matters

After approximately one year of "staff stability", Garth Munro, our Course Superintendent, accepted a position in Kuwait at the Sahara Country Club in September 2007. Brendon Main, our Golf Director, also decided to move back to the Eastern Cape, where he and his wife have started their own business. Brendon left Prince's Grant at the end of March 2008. After numerous interviews, Alan Dalzell who acted since Garth's departure was appointed as Course Superintendent and the position of Golf Director will be filled in the next financial year.

The Management of the Estate under Vani's leadership was encouraging. No doubt, her confidence in this challenging position has improved and the investment in her development will stand the estate in good stead in years to come.

An addition to our staff compliment was two trainee greenkeepers who were employed since January 2008. It is clear that most of the

HIGHLIGHTS

- **Annual Surplus R2.8mil**
- **Reserves improved to R3.5mil**
- **Record Prices for property sales**
- **18 Capital Projects successfully completed in the 2007/ 2008 financial year New**
- **Prince's Grant Website**
- **Improved Ranking for Golf Course**
- **Successful AGM with 5 Special Resolutions adopted**
- **Plant & Equipment purchased to the value of R2.3mil**

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great institutions around the world are also training institutions and provide young people with an opportunity to develop their skills in a field which they have selected as their future profession. We anticipate that this will also yield positive results for Prince's Grant.

Finance

Our finances have again out-performed our expectations by a considerable margin. On the income side, we are more than R700k better than budget and on the expenditure side we will end the year approximately R150 000 better than expected. In total, at the end of February the Estate's finances are R877 425 better than budget.

This positive situation allowed us to grow the Estate's reserve to approximately R3.7mil.

Our debtors remain under firm control with an amount of less than R6 000 owed for 90 days or more and our debtors against whom we have instituted legal action totaling an outstanding amount of R112 000 of which R80 000 is owed by a deceased estate in the process of being wound up.

The levy stabilisation fund contributed some R500k better than expected, an indication of a very buoyant property market for most of 2007.

Estate

The property sales at Prince's Grant achieved record heights during the past financial year with total sales for the year exceeding R100mil. Record prices for houses, at R7.5mil and for vacant land at R2.5mil were achieved.

The Estate staff completed some major projects during the year which included:

- A new public swimming pool in Blink Bonnie Lane
- The upgrading of the entrance to the Estate
- The upgrading of the area in front of the Clubhouse with parking areas for golf carts.
- The construction of a designated area for hired out carts.
- The upgrading of road edges, in particular Blink Bonnie Lane and Ginger Beer Drive
- The establishment of two natural areas as open space areas and the extension of the Lagoon Walk.
- The upgrading of the squash court parking area and the general improvement of the building by replacing doors, lights and tiling.
- The introduction of a comprehensive waste recycling project under the guidance and leadership of Geoff Taylor with areas for recycling of glass and cans and further provision for paper and cardboard recycling.
- The construction of a carport area for vehicles and caravans.
- The upgrading of the fertilizer and chemical store.

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Golf Course

Projects

The major projects on the golf course during the year included:

- The revamp of the pro shop making the shopping experience more enjoyable and ensuring the look and feel of the pro shop is congruent with a top 20 golf course.
- Introducing ball washers and refuse bins on every tee.
- Re- building the cart path bridge on the right of the 7th green.
- Improving the “rough area” on the left of the 13th fairway.
- Replacing the entire irrigation system on the 4th, 5th, 13th and 14th. This work included the change from the current hydraulic system to an electronically operated system.
- Introducing trees to the right and back of the 15th.

National Amateur Invitational Tournament

The Prince’s Grant National Amateur invitational tournament was recognised by the South African Golf Association for the first time. SAGA ranking points were afforded to the tournament and due to the quality of the field the tournament received 100 ranking points making it one of the highest ranked tournaments in the country only equaled by the KZN open, The SA amateur, The Northern Amateur (previously the Transvaal Amateur Open) and the Western Province Amateur Open. The tournament proved to be a spectacular success with Johan de Buisson the eventual winner.

Visit to BMI Conference in Scotland

A personal highlight for our CEO was the attendance of the Business Management Institute Conference in St. Andrew, Scotland during November 2007. A comprehensive report was provided on the conference which aim is improving club managers communication and skills and which conference was attended by approximately 80 international delegates.

Course Rankings

Prince’s Grant moved up two places in the Golf Digest course rankings. Considering that five new courses including Zimbali and Simola were ranked, it is a significant achievement. In 2005, Prince’s Grant was 23rd on the ranking list and has since moved up 4 places despite the introduction of high budget new golf courses throughout South Africa. More encouraging is that Prince’s Grant was ranked as the 17th best conditioned golf course in South Africa. The course did not previously feature in the top 25 best conditioned courses.

Security

Our security remained well managed with the following major incidents during the year.

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- 21 May 2007: Theft at Lot 199/3 – A DVD player was stolen. Item recovered and returned to homeowner.
- 11 July 2007: Theft at Lot 53 – Several items was stolen. All stolen items were recovered returned to homeowner.
- 17 August 2007: Burglaries at Lots 188 & 255 – Stolen items which included cameras and a laptop were recovered and returned to the respective homeowners.
- 04 September 2007: Burglaries at Lots 190 & 141 – Items including a laptop was stolen. No recovery was made.
- 07 December 2007: Theft at Lot 155 – Cell phone stolen – was later recovered and returned to owner.
- 05 February 2008: Theft – PGHOA Storeroom – no recovery was made.
- 25 February 2008: Theft at Lot 53 – Stolen item was recovered and returned to homeowner .

Other improvements and/ or changes in respect of security include:

- Security access cards and identifiable clothing for all.
- Background checks and the collating and recording of detail on all people working on the Estate.

Building and Construction

The construction of new houses continued at a rapid pace during the financial year. Twenty- eight occupation certificates were issued during the year. Twenty- seven plans were approved by the building committee. The year commenced with 9 houses that exceeded their 12 month building period. All but one of these houses remains a problem with only one other house currently paying triple levies due to delayed completion. Of the 27 final submissions 73% was approved within 2 submissions and only 1 plan had to be submitted as a 4th submission.

A further encouraging phenomenon was the turn- around in the building committee activities. The committee, who made a significant loss during the previous financial year is now breaking even. The committee considered 27 new submissions for building plans and 38 amendments to existing houses.

The adoption of a special resolution during September 2007 to limit the number of architects on the panel to a maximum of 15 has contributed to make this a less painful and cumbersome experience for homeowners. No plan had to be referred back for a 3rd submission since this change.

The general appearance of building sites and their impact on neighbours have also further improved during the year. The system of providing a shade cloth fence by the HOA, which was implemented during the 2006 / 2007 financial year, is having the desired result.

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Marketing

We continued with our marketing campaign to develop a brand for Prince's Grant and full page advertisements appeared in the following magazine during the year:

- Complete Golfer
- Golf Digest
- SA Women's Golfer
- Sawubona

The Prince's Grant website came online at the start of the financial year and a new secure "members only" part of the website were introduced in September 2007. The website no doubt is our main marketing tool and is kept current our staff.

The publishers of the Umhlotaan quarterly magazine withdrew during May 2007 due to financial reasons. After an extensive search to find a new publisher who would be able to produce the magazine at no cost to the homeowners, an agreement with "Estate Press" was reached. A new edition of the Umhlotaan was distributed in February 2008 and we hope to continue to publish this magazine at quarterly intervals.

Institutional

The 2007/ 2008 financial year was significant in terms of important decisions taken by way of special resolutions. These special resolutions include:

- Approval to exchange Lot 49 at the entrance of Prince's Grant with an additional residential stand of equal value. This will enable the HOA to improve the access gate to Prince's Grant.
- Approval to increase the number of residential units at Prince's Grant from 462 to 465 with the understanding that the HOA will share the proceeds from 2 of the additional stands equally with the developer.

A further significant resolution was the approval to allow the Board of Directors to enter into an agreement with the developer of the land abutting Prince's Grant to include a portion of that land to the west of Prince's Grant into Prince's Grant to allow for a natural geographical barrier on the western side of Prince's Grant.

Rates

The new rates act, providing that municipality rates will be charged on a uniform system throughout South Africa was implemented by the Kwa Dukuza Municipality. The HOA provided information, assistance and guidance to numerous homeowners through this process. Despite some anxiety amongst some homeowners the majority of Prince's Grant property owners are benefiting from the new municipal rates system.

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New Developments

Prince's Grant Homeowners were represented as an interested and affected party at two DFA tribunals for developments on "our doorstep". The main emphasis of our input was to ensure that adequate infrastructure is provided to service the proposed land development areas.

Conclusion

The 2007/ 2008 financial year was filled with highlights and steady progress in most areas. We believe the work done during the year represents a growing estate and will act as a solid foundation for years to come.

As Chairman, it is my distinct pleasure to thank on behalf of all homeowners:

- Our staff for their continued effort and commitment to ensure a pleasant experience at Prince's Grant and;
- Our Board for the considerable amount of time and effort put in by them to ensure the future success of the Estate.

Finally, thank you to all homeowners for their support and encouragement during the 2007/ 2008 financial year.

Dave Miller
Chairman

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