



**Minutes of the Annual General Meeting of Funseekers International  
held on 24 October 2020 at Sondela Nature Reserve**

**1.1 Attendance Register**

**Members**

Theuns & Sandra de Jager  
Rochelle Dollie  
P Ngwetjana  
JM Jutte  
F Nel  
MT Letlape  
Henry Varges (via Zoom)

**Board of Trustees**

I Jansen van Rensburg  
N Haarhof  
F Grobler  
A Tilke  
B Palmer  
P van Vuuren  
J Zietsman  
C Weilbach  
D Blom

Trustee  
Trustee  
Trustee / Club manager  
Trustee/Member  
Trustee/Member  
Trustee/Member  
Trustee/Member  
Trustee/Member  
Trustee/Member

**Personnel**

Tracy de Haas  
Bianca Henderson

Reservations Manager  
Reservationist

**1.2 Apologies**

Bezuidenhout C (Member)  
Fuller PA (Member)  
Wylie J (Member)  
Hough L (Member)

**1.3 Proxies**

Faller PA (Member)

**2 Welcoming**

Mr. Francois Grobler opened the meeting by welcoming all present and thanking them for attending. The attendance register was signed, a quorum was established and the meeting was declared properly constituted. Mr. Grobler also welcomed the member that had joined via Zoom.

**3 Trustee's Report**

Mr. Jansen van Rensburg presented the Trustee's Report which was made available on the Funseekers' website ([www.funseekers.co.za](http://www.funseekers.co.za)) for all members to access.



The report highlighted that the club is still running, despite a few difficult months during lockdown. For Sondela, as with many companies, it was a challenge to keep the doors open and the tourism industry was severely affected. The club’s financial viability, however, remained good as members had paid levies early in the year, meaning that we went into lockdown with a positive bank balance. Mr Grobler will report on the numbers, which do not look too bad. We are concerned about the decrease in memberships but have been pro-active and allowed for a big write-off for next year, so that between the two years it balances out and the viability is still there.

Due to lockdown, there were no award functions. However, RCI advised us by mail of our results and we also received our very first grading from I-Exchange, currently our biggest exchange partner:

<b>Resort</b>	<b>RCI</b>	<b>I-Exchange</b>
Sondela Nature Reserve	Gold Crown	5 Diamonds (equal to Gold Crown)
Moselesele Tented Camp	Silver Crown	4 Diamonds (equal to Silver Crown)
Ocean View	Silver Crown	4 Diamonds (equal to Silver Crown)

Quite a lot of work has been done on the chalets, including air conditioning which had become necessary due to increasing temperatures over the last couple of years, and work has also been done on the resort itself. Mr Grobler has also greatly improved our accessibility by getting us online, making bookings and rental programs all possible online.

We are extremely glad to be back in business and able to welcome back guests. We hope that our Covid numbers remain static, unlike Europe and America which are both experiencing horrible infection rates, and look forward to a wonderful upcoming season.

The Trustee’s Report was accepted:

Proposed by: Mr. Johan Zietsman

Seconded by: Mr. Danie Blom

#### 4 **Minutes of 2019 AGM**

The minutes of the 2019 Annual General Meeting were approved.

Proposed by: Francois Nel

Seconded by: Johan Zietsman



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## 5 **Presentation of Management Team and Trustees**

The Board of Trustees, our staff and management team were thanked for their positive input and dedication in the performance of their tasks. We always look forward to seeing you at the Annual General Meeting and wish you and your families all of the very best for 2021.

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## 6 **Financial Statements**

FG presented the financial statements and highlighted the following points:

### 6.1 **Resolution 1:**

Financial statements for the year ended 31 December 2019.

Page 5 – Auditors Report

The Auditors report has an unqualified opinion - they are happy with the financial state of affairs and foresee that we will be a going concern for the next 12 months up to December 2021.

Page 6 - The Nature of the Business

Funseekers membership is summarized here, although unfortunately, due to the financial difficulties throughout South Africa over the last 5-6 years, this number has shrunk every year. We have, however, done a lot to mitigate the cost to our members such as cancelling long-term leases and selling some of the units as whole units. By doing this, we replace cancelled members with paying members, thereby mitigating all the non-paying members (due to unaffordability). The reasons members are cancelling will be discussed further under General.

We have mitigated the losses suffered by the Club during Covid lockdown and the Auditors are fairly happy that these mitigating factors should keep the Club as a going concern for the next 12 months, up to the end of 2021. However, we still require our members to pay their Levies to keep this a viable entity.

Page 8 – Balance Sheet

The financial position of the Club is summarized here. There is a decrease in the Balance Sheet value of the Club due to some members cancelling and others falling behind on their Levies. Once they have fallen behind for over 2 years, the Club gives the stock back to the Developer. Member's investments have reduced from R62million to R51million due to cancelled memberships, which is the reason that stock has been returned to the Developers. By doing this, the risk then carries back to the Developer and is no longer a risk for the Club.

Page 9 – Summarized Income Statement

Page 17 – Detailed Analysis of Income Statement



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Turnover was R16.5 million, Expenses R16.6 million and extra income of R139 000. This gave us a small operating surplus of R35 000. These surpluses reduce any kind of losses made by the Club, and at the end of 2019 (Pg. 8 under accumulated surplus) there was a small surplus up to the end of the 2019 financial year-end, meaning that currently the Club is in a good, financially viable situation.

Mr Jansen van Rensburg clarified the stock situation: From the beginning, the Club has had different stock categories, stock in different places, short-term stock which was rented-in stock and short-term members. We also made the decision that we would not carry stock for a certain percentage of members, as there is always a percentage of members that are not going to pay. This has enabled us to manage the risk of the Club and the Developer (Adinvale) said that if we run into the position where we are running out of members and have too much stock, Adinvale will withdraw that stock out of the Club. Our Club is therefore not sitting with the risk, faced by many other clubs, of having too much stock and too few members to pay the Levies. This has become a big problem over the last few years. I-Exchange is currently so busy that they are having to rent in stock. People did not utilize this year, and now that lockdown has been eased everyone wants to utilize. The way our Club has been set up and the way it is managed, gives us the option of dumping stock if there is a problem and bringing in stock if needed.

Mr Haarhoff said that more and more people are working from home and looking for places to live away from the cities. One of the top places to live is The Waterberg. We have stock, and our members must just utilize the opportunity.

Mr Grobler added that how the market has changed has been discussed under General and Mr van Rensburg will explain how even on Sondela things have changed.

No additional questions were raised with regards to the Financial Statements.

The Financial Statements were accepted.

Proposed: Mr. Theuns de Jager

Seconded: Mr. Barry Palmer and Mr. Phillip van Vuuren

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## 6.2 **Resolution 2:**

Appointment of Auditors

Mr Grobler explained that Tjaart Oosthuizen & Kie have been our auditors for the past few years. We are satisfied with their work, have a very good business relationship with them and receive good business advice from them in the preparation of our financial statements and other business decisions. The Board of Trustees proposes that Funseekers retains Tjaart Oosthuizen & Kie as its auditors.

The appointment of Tjaart Oosthuizen & Kie was accepted.

Proposed: Mr P van Vuuren

Seconded: Mr. Theuns de Jager



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### 6.3 **Resolution 3:**

#### Proposed Budget - Annual Subscriptions for 2021

During lockdown, we were in communication with the Board of Trustees, to keep them updated of our status and the Club's financial position. These items were discussed via Zoom and our first forecast, at the beginning of May, took a short lockdown into consideration (which ended up being 6 months and longer).

The second forecast was drawn up just prior to sending out the AGM invitations, and shows where we forecasted the Club to be at the end of 2020. The significant savings were as a result of: immediately suspending our stock holdings, our long-term rentals were suspended for six months, some of the staff were placed on temporary lay-off (successful TERS claims were made on their behalf), discounts were negotiated on our membership fees with I-Exchange and RCI, and we closed our offices. A few people worked from home, and others that were not high-risk, only came back to the office on 1 September 2020. With all these costs savings, a surplus of R550 000 is forecast for 2020, which will subsidize the Levy for 2021.

Members were also notified that due to these savings and our negotiations with I-Exchange and RCI, we are allowing them to extend the use of the points for 2020 for an extra year to ensure that not one single member loses their holiday, but this however do come at a cost. The only cost of this is the 5% increase on Levies for next year – this means that based on the work we have done, members will not lose a single cent due to Covid-19. The forecast shows a significant decrease in the number of members as about 25% of our members stopped paying during Covid.

We are currently handling about 10 cancelation requests per week, mostly due to financial constraints, so we forecast that the memberships will decrease by another 25%, and a further 5% will fall behind on their payments. People are only now feeling the financial strain due of the lockdown - a lot of people are not receiving their full salaries and the banks are not going to extend the payment holidays. Despite this, the 5% increase in Levies and the surplus we have for this year mean that we can forecast and budget that the Club will break even next year, even with the 25% decrease in members and 5% dropping further with arrears and bad debts.

The Proposed Budget and Annual Subscription for 2021 was accepted.

Proposed: Francois Nel

Seconded: Theuns de Jager, Danie Blom & Christo Weilbach

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### 6.4 **Resolution 4:**

#### Appointment of Trustees for 2021

The following were nominated for election as Trustees:

Mr. Ian Jansen van Rensburg

Mr. Neville Haarhoff



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Mr. Francois Grobler  
Mr. Phillip van Vuuren  
Ms. Amy Tilke  
Mr. Danie Blom  
Mr. Barry Palmer  
Mr. Christo Weilbach  
Mr. Johan Zietsman

Most other clubs only have Trustees from the Managing Agent and Developer, whereas we also have Trustees that are members as well. We thank them for their hard work during this year.

The appointment of the Trustees was accepted.

Proposed: Mr. Theuns de Jager  
Seconded: Mr. Francois Nel

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**7 General: Discussion of special matters**

Mr Jansen van Rensburg was asked to talk about the developments in market shift and semigration, as mentioned by Mr Haarhoff.

IJVR – It is important to consider what is happening in the market, in the world and in tourism in general. Our country was already entering a recession in 2018/2019, which we experienced in what was happening around us and in the drop-in revenue. Covid accelerated this dramatically but also taught us resilience, that we can work from home, to do things in a different way, and to adapt. The Club does not deal in stock that can perish or be stolen – we buy as needed. We have flat-lined our management structures and done a great deal of introspection. Mr Grobler has presented the worst-case scenario in the budget.

Taking into account the market shifts, there basically many options. As Mr Haarhoff has explained, The Waterberg area is in the top 10 destinations of where people wishing to escape the city choose to go. In the past two months we have sold between R12million-R15million worth of property on Sondela, which shows that there is a demand by people wishing to get out of the cities for outlying properties and the further you go out of the city, the more difficult it gets. The Garden Route is also a very popular destination, as the George makes it convenient for people to just fly in. For the average man in the street, however, commuting to the Garden Route is not an option, but driving from this area to Gauteng in 45 minutes is attainable.

We have also seen that investment products are selling more than just a holiday product. People no longer want to invest in a week, midweek or weekend, but rather prefer to buy Fractional ownership where they own 4 weeks or 8 weeks. They are also buying more fixed, 1-owner property and there is a definite move towards a more stable purchase, as opposed to a single week holiday. We need to adjust to stay relevant in the market.

We are also going to look at offering a different type of membership to see if we can increase our membership. There are a lot of different things we are going to do over the next year, so hopefully



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we will not enter another strict lockdown. We are in a better position than Europe when it comes to Covid, as our country has a younger age-average.

The budget is conservative – we are optimistic that we can improve on that, which means that our Club will also do a lot better. The vacation industry has rebounded incredibly quickly, with the exception of establishments that rely on the international market, and if you call now to book a holiday somewhere, you struggle.

FG: Mr Grobler added that we received an email from VOASA yesterday confirming that there had not been one Covid case reported in the whole Timeshare industry, which is good as they were involved in the Covid protocols being implemented at resorts.

We are receiving a lot of complaints from members regarding availability. Unfortunately, nobody knew how long the lockdown was going to last and we were cancelling reservations on a month to month basis. Initially, the Exchange companies were helping us to cancel those bookings with a full refund on points and Exchange Fees. However, when we reached Level 3, with no cross-border travel, members who did not cancel their bookings did not have their points or exchange fees refunded. We are, however, negotiating with the Exchange companies, but there is a cancellation clause and at some stage they have to start getting back to normal.

This time of the year poses another challenge in that everything has been booked by the beginning of the year. Changes in lockdown restrictions, changes in school holidays and trying to fit in members that had lost their holidays, were all at the mercy of the fluidity of the pandemic and beyond our control. Some members, however, blamed us for the changes in the school holiday calendar and were dissatisfied that they could not be moved to the new school holiday peak, which had already been booked. Some coastal areas are struggling to fill their bookings, whereas the Waterberg area, resorts like Sondela and Kruger Park are either fully booked until the end of the year or not placing their stock into the Exchange programme, so that they can help their owners who lost their weeks. We have swapped a number of our weeks with Dream Vacation for their weeks at resorts that are not readily available in the Exchange program.

The Club's points' system was explained. There are various types of members - the points members are Gold (a 10-year product that can be extended on expiry) and Diamond (in perpetuity). There are also Tanzanite points (similar to Diamond and also in perpetuity), as well as Exclusive Use members who own weeks at specific resorts (Fairways, Manyane and Bakgatla), which can either be used or banked into the Exchange program. There are also Fractional Owners, that own 2-, 4- or 8-weeks fractions in a unit (Makhato 87, 88 & 89, Sekelbos 300 A & B and Acacia 229). These weeks rotate giving the owners an equal chance at the school holiday weeks. These members can also either utilize their weeks, exchange their weeks for points or put their weeks into the rental pool.

The Club is a non-profit company that manages the stock owned for our members on their behalf. When a member joins the club, we buy stock from the developer in the form of Sectional Title whole-ownership or timeshare for long-term leases. Unfortunately, if there are losses, these must be covered by the members. As managing agent, in order to ensure that losses are kept to a minimum, we cancel a week or stock with the developer when a member cancels their membership. There is a cost involved in this and if the member doesn't pay the Levy for the year, the other members are left having to cover the costs. This is why the Club has been structured



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to have 20% less stock-holding than members, in order to cover for the members that are not paying. However, it is coming to a point where we have to manage this very carefully, because the members are cancelling at a rate of more than 20%. To mitigate this, we have been very proactive and given a number of stock items back to the developer.

Are there any General Questions?

SdJ: If our Levies go up by 5%, will the points go up too?

FG: No, you purchased a certain amount of points which remain the same regardless. The use value does not change from year to year.

SdJ: How is it that I went to a resort one year using 50 points and the next year the same booking cost 60 points?

FG: The points will never change, unless the resort's grading changes which would then increase the points used. When we do a rental, those points might change, because those points are linked to the Rand value of the rental.

Member: Why is it when we camp at Sondela or other resort, we never get a full week, only midweeks or weekends?

FG: The Club was never really structured to book Caravan Parks as we own stock at various resorts. However, we knew that times had changed and our members wanted to use extra points, so we introduced the camping option. We rent in the availability and then work out the points' value to our members. The days are dependent on the member's available points, how long the members want to book and availability.

Member: I have over 1000 points and I can't get space even if there are only 3 caravans at Klein Kariba and my points are enough.

FG: We work through the resort's reservations and can only offer what their reservations give through to us. But you can speak to Bianca or Tracy as to why that happened.

Member: There was a situation where I went to Dikhololo for a midweek and paid a couple of points, then the next year I went, I was charged more points.

IJvR: Dikhololo was taken over by completely new management which upgraded the resort completely, spending between R20million-R30million rand, which could be why the points in that resort have changed. Unfortunately, that is not in our hands and not something we can control, just like if we rent in something we cannot control the rental prices.

Member: I was camping at Sondela for a midweek, they charged 256 points, but then there is a chalet that I can stay for a full week for 400 points.

FG: Timeshare was never a rental programme and rental options cannot be compared to the Timeshare options. Everywhere you go you will find cheaper accommodation because resorts are



offering discounts to fill up and we cannot compare to that. We are, however, looking at new options in this regard for our members.

Are there any further questions?

I want to thank you all for coming.

CW: Mr Weilbach thanked Mr Grobler, Mr Jansen van Rensburg and the management team for their hard work. He is involved in a number of places, and this is the easiest company to work with - they are innovative and they have Trustee meetings which we attend to help make decisions.

I think the 5% increase in Levies is phenomenally low, especially in the times we are currently experiencing.

FG: FG Thanked Mr Weilbach and the meeting adjourned.

**FRANCOIS GROBLER**  
Trustee

**IAN JANSEN VAN RENSBURG**  
Trustee

**DATE**

**Copies of Minutes:**  
Minute Book  
Trustees  
All members