



FUNSEEKERS INTERNATIONAL

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

GENERAL INFORMATION

| | |
|--|--|
| Country of incorporation and domicile | South Africa |
| Type of entity | Vacation ownership club |
| Trustees | I Jansen van Rensburg N Haarhoff HF Grobler P van Vuuren A Tilke D Blom B Palmer C Weilbach |
| Registered office | 24 Mentz Avenue Bela Bela 0480 |
| Business address | Bosveld Mall 26 Potgieter Road Bela Bela 0480 |
| Postal address | P.O. Box 22 Bela Bela 0480 |
| Auditors | Tjaart Oosthuizen & Co Inc. Chartered Accountants (SA) Registered Auditors 24 Mentz Avenue Bela Bela 0480 P. O. Box 536 Bela Bela 0480 |
| Tax reference number | 9204/830/16/1 |

Funseekers International
Annual Financial Statements for the year ended 31 December 2018

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the trust 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 trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the board of trustees on 20 July 2019 and were signed on its behalf by:

I Jansen van Rensburg

N Haarhoff



TJAART OOSTHUIZEN & CO INC.

Geoktrooieerde Rekenmeesters (SA) / Chartered Accountants (SA)
Ouditeure / Auditors



INDEPENDENT AUDITOR'S REPORT

To the members of Funseekers International

Opinion

We have audited the annual financial statements of Funseekers International set out on pages 8 to 16, which comprise the statement of financial position as at 31 December 2018, and the statement of income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Funseekers International as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the club 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 annual 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the club'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 trustees either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

Tjaart Oosthuizen Director
BCompt (Hons), CA (SA)

Tjaart Oosthuizen II Director
BCompt (Hons), MCom(Taxation) (Cum Laude), CA (SA)

Reg no: 2017/315844/07 • **Practice:** 964077 • **VAT no:** 4940281621

Tel: 014 736 2009 • **Email:** admin@integritus.co.za • **Web:** www.integritus.co.za

Postal address: P.O. Box 536, Bela-Bela, 0480 • **Physical address:** 24 Mentz Ave, Bela-Bela, 0480

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 club'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 annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.



Tjaart Oosthuizen & Co Inc.
Tjaart Oosthuizen
Director
Chartered Accountants (SA)
Registered Auditors

20 July 2019

24 Mentz Avenue
Bela Bela
0480

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

TRUSTEES' REPORT

The trustees have pleasure in submitting their report on the annual financial statements of Funseekers International for the year ended 31 December 2018.

1. NATURE OF BUSINESS

Funseekers International was formed in South Africa with interests in the holiday club industry. The club operates in mainly South Africa.

The club operates on a holiday points system in respect of property the club owns. Holidays are provided using the club's own holiday properties, swapping with other organisations and using the RCI exchange system. The club operates principally in South Africa. The club commenced with the sale of points in June 2000. Having launched modestly with the marketing taking place predominantly from the base at the Gold Crown Resort, Sondela Nature Reserve, the club ended the year with 97 Tanzanite members, 1 664 Diamond members, 494 Gold members and 257 members which have a combination of Diamond and Gold points, 70 Fractional members and 312 Exclusive use members with a total of 2 982 members, of which 88 members are delinquent. The club handles all the reservations on behalf of members. The satisfaction of members' needs for holidays in South Africa have been extremely successful. The club has utilized its own holiday properties, together with the facilities of other timeshare organisations and the facilities of RCI and i-Exchange. The flagship of the club is Sondela Nature Reserve in Bela Bela which has assisted our club in obtaining the holiday accommodation the members require. The booking of international holidays have been done by RCI South Africa.

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

The surplus of the club was R100 287 after taxation of R462 (2017: surplus R27 523, taxation R7 946)

There have been no material changes to the nature of the club's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

3. GOING CONCERN

The trustees believe that the club has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the club is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the club. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the club.

4. EVENTS AFTER THE REPORTING PERIOD

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. CORPORATE GOVERNANCE

The trustees are committed to the principles of good governance and are applying the recommendations of King IV as far as practical.

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

TRUSTEES' REPORT

6. TRUSTEES

The trustees in office at the date of this report are as follows:

Trustees

I Jansen van Rensburg

N Haarhoff

HF Grobler

P van Vuuren

A Tilke

D Blom

B Palmer

C Weilbach

The changes to the trustees for the period under review is due to the passing of Mr D Morgan. The trustees wish to thank him for his valuable inputs through the years.

7. MANAGEMENT AGENTS

The affairs of the club are being managed by Adinvale (Pty) Ltd from their offices in Bela Bela. The management includes the arranging of member's holidays, collecting member's annual subscriptions, paying the levies to various resorts, managing properties owned outright by the club and normal daily affairs.

8. AUDITORS

Tjaart Oosthuizen & Co Inc. continued in office as auditors for the club for 2018.

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

| | Note(s) | 2018 R | 2017 R |
|-------------------------------------|---------|-------------------|-------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 114 737 | 100 206 |
| Holiday properties | 2 | 62 520 401 | 67 011 211 |
| Financial assets | 4 | 439 128 | 439 128 |
| | | <u>63 074 266</u> | <u>67 550 545</u> |
| Current Assets | | | |
| Inventories | | 23 868 | 7 475 |
| Trade and other receivables | 5 | 5 338 954 | 5 603 251 |
| Cash and cash equivalents | 6 | 1 543 952 | 1 455 771 |
| | | <u>6 906 774</u> | <u>7 066 497</u> |
| Total Assets | | <u>69 981 040</u> | <u>74 617 042</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Members' investment | 7 | 62 520 401 | 67 011 211 |
| Accumulated surplus | | 706 | (99 580) |
| | | <u>62 521 107</u> | <u>66 911 631</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 7 437 777 | 7 683 717 |
| Current tax payable | | 22 156 | 21 694 |
| | | <u>7 459 933</u> | <u>7 705 411</u> |
| Total Equity and Liabilities | | <u>69 981 040</u> | <u>74 617 042</u> |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

STATEMENT OF INCOME AND RETAINED EARNINGS

| | Note(s) | 2018 R | 2017 R |
|---|---------|----------------|-----------------|
| Revenue | 9 | 17 528 719 | 17 759 730 |
| Other income | 10 | 49 413 | 201 433 |
| Operating expenses | | (17 529 238) | (18 004 072) |
| Operating surplus (deficit) | | 48 894 | (42 909) |
| Investment revenue | 12 | 51 861 | 78 378 |
| Finance costs | | (7) | - |
| Surplus before taxation | | 100 748 | 35 469 |
| Taxation | 13 | (462) | (7 946) |
| Surplus for the year | | 100 286 | 27 523 |
| Opening balance | | (99 580) | (127 104) |
| Accumulated surplus at the end of the year | | 706 | (99 581) |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

STATEMENT OF CASH FLOWS

| | Note(s) | 2018 R | 2017 R |
|---|---------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers and owners | | 17 560 981 | 17 789 713 |
| Cash paid to suppliers and employees | | (17 482 105) | (18 379 731) |
| Cash generated from (used in) operations | | 78 876 | (590 018) |
| Interest income | | 51 861 | 78 378 |
| Finance costs | | (7) | - |
| Tax paid | | - | (1) |
| Net cash from operating activities | | 130 730 | (511 641) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (42 549) | (105 608) |
| Cash flows from financing activities | | | |
| Total cash movement for the year | | 88 181 | (617 249) |
| Cash at the beginning of the year | | 1 455 771 | 2 073 020 |
| Total cash at end of the year | 6 | 1 543 952 | 1 455 771 |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment testing

The club reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.2 INVESTMENT PROPERTY

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in surplus or deficit. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

The fair value is determined annually by an external valuator derived from current market prices of comparable real estate.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the club holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the club and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

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ACCOUNTING POLICIES

1.3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the club.

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

| Item | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Office equipment | | 6 years |
| IT equipment | | 3 years |
| Leasehold improvements | | 5 years |

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.4 FINANCIAL INSTRUMENTS

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.5 REVENUE

Revenue is recognised to the extent that the club has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the club. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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Annual Financial Statements for the year ended 31 December 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2018
R

2017
R

2. HOLIDAY PROPERTIES

Reconciliation of holiday properties - 2018

| | Opening balance | Other changes, movements | Total |
|--------------------|-----------------|-----------------------------|------------|
| Holiday properties | 67 011 211 | (4 490 810) | 62 520 401 |

Reconciliation of holiday properties - 2017

| | Opening balance | Other changes, movements | Total |
|--------------------|-----------------|-----------------------------|------------|
| Holiday properties | 79 317 360 | (12 306 149) | 67 011 211 |

Registers with details of holiday properties are available for inspection by trustee or their duly authorised representatives at the registered office of the club.

3. PROPERTY, PLANT AND EQUIPMENT

| | 2018 | | | 2017 | | |
|------------------------|------------------------|-----------------------------|----------------|------------------------|-----------------------------|----------------|
| | Cost or revaluation | Accumulated depreciation | Carrying value | Cost or revaluation | Accumulated depreciation | Carrying value |
| Office equipment | 100 672 | (84 383) | 16 289 | 89 072 | (82 470) | 6 602 |
| IT equipment | 81 771 | (75 406) | 6 365 | 81 771 | (71 390) | 10 381 |
| Leasehold improvements | 118 112 | (26 029) | 92 083 | 87 162 | (3 939) | 83 223 |
| Total | 300 555 | (185 818) | 114 737 | 258 005 | (157 799) | 100 206 |

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Depreciation | Closing balance |
|------------------------|-----------------|---------------|-----------------|-----------------|
| Office equipment | 6 602 | 11 600 | (1 913) | 16 289 |
| IT equipment | 10 381 | - | (4 016) | 6 365 |
| Leasehold improvements | 83 223 | 30 949 | (22 089) | 92 083 |
| | 100 206 | 42 549 | (28 018) | 114 737 |

Reconciliation of property, plant and equipment - 2017

| | Opening balance | Additions | Depreciation | Closing balance |
|------------------------|-----------------|----------------|----------------|-----------------|
| Office equipment | 2 104 | 6 398 | (1 900) | 6 602 |
| IT equipment | 7 | 12 048 | (1 674) | 10 381 |
| Leasehold improvements | - | 87 162 | (3 939) | 83 223 |
| | 2 111 | 105 608 | (7 513) | 100 206 |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | R | R |
| 4. FINANCIAL ASSETS | | |
| Equity Instruments at cost | | |
| Makhato 87 (Pty) Ltd | 209 474 | 209 474 |
| Makhato 89 (Pty) Ltd | 221 789 | 221 789 |
| Margate Sands (SS38) | 7 865 | 7 865 |
| | 439 128 | 439 128 |
| The equity instruments are shown at historical cost. No fair value adjustments are made | | |
| Non-current assets | | |
| Equity Instruments at cost | 439 128 | 439 128 |
| 5. TRADE AND OTHER RECEIVABLES | | |
| Trade receivables | 4 745 905 | 5 017 084 |
| Levies paid in advance | 479 282 | 498 494 |
| Sundry receivables | 113 767 | 87 673 |
| | 5 338 954 | 5 603 251 |
| 6. CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 1 527 | 3 901 |
| Bank balances | 208 173 | 126 369 |
| Short-term deposits | 1 334 252 | 1 325 501 |
| | 1 543 952 | 1 455 771 |
| 7. MEMBERS' INVESTMENT | | |
| Capital account / Members' investments | | |
| Balance at beginning of year | 67 011 211 | 79 317 360 |
| Decrease in members' investment | (4 490 810) | (12 306 149) |
| | 62 520 401 | 67 011 211 |
| 8. TRADE AND OTHER PAYABLES | | |
| Trade payables | 257 225 | 333 102 |
| Amounts received in advance | 6 954 558 | 6 974 779 |
| VAT | 133 473 | 161 688 |
| Sundry creditors | - | 16 228 |
| Accrued leave pay | 92 521 | 197 920 |
| | 7 437 777 | 7 683 717 |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | R | R |
| 9. REVENUE | | |
| Subscription fees | 15 527 454 | 15 814 966 |
| Exclusive use subscription fees | 2 001 265 | 1 931 175 |
| Exclusive use special levy | - | 13 589 |
| | <u>17 528 719</u> | <u>17 759 730</u> |
| 10. OTHER INCOME | | |
| Other income | <u>49 413</u> | <u>201 433</u> |
| 11. EMPLOYEE COST | | |
| Employee costs | | |
| Basic | <u>3 260 820</u> | <u>3 557 556</u> |
| 12. INVESTMENT REVENUE | | |
| Interest revenue | | |
| Bank | <u>51 861</u> | <u>78 378</u> |
| 13. TAXATION | | |
| Major components of the tax expense | | |
| Current taxation | | |
| South African normal tax - year | <u>462</u> | <u>7 946</u> |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| 2018 | 2017 |
|------|------|
| R | R |

14. RELATED PARTIES

Relationships

Related through key members of management

Sondela Share Block Ltd
Ridgeville Investments 1031 (Pty) Ltd
Adinvale (Pty) Ltd
Adinvale Farming Estate (Pty) Ltd
TVGC

Members of key management

Refer to trustee's report

Related party balances and transactions with other related parties

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

| | | |
|-----------------------------------|---------|---------|
| Adinvale (Pty) Ltd | 144 884 | 164 838 |
| Sondela Share Block Ltd | 672 945 | 830 327 |
| Adinvale Farming Estate (Pty) Ltd | 36 704 | 39 855 |
| TVGC | 622 206 | - |

Related party transactions

Administration fees paid to (received from) related parties

| | | |
|--------------------|-----------|-----------|
| Adinvale (Pty) Ltd | 3 227 820 | 3 382 669 |
|--------------------|-----------|-----------|

Levies paid to related parties

| | | |
|---------------------------------------|-----------|-----------|
| Sondela Share Block Limited | 2 847 159 | 3 605 605 |
| Ridgeville Investments 1031 (Pty) Ltd | 2 984 009 | 2 899 648 |
| Adinvale Farming Estate (Pty) Ltd | 903 968 | 856 842 |

Funseekers International

Annual Financial Statements for the year ended 31 December 2018

DETAILED INCOME STATEMENT

| | Note(s) | 2018 R | 2017 R |
|--|---------|-------------------|-------------------|
| Revenue | | | |
| Subscription fees | | 15 527 454 | 15 814 966 |
| Exclusive use subscription fees | | 2 001 265 | 1 931 175 |
| Exclusive use special levy | | - | 13 589 |
| | 9 | 17 528 719 | 17 759 730 |
| Cost of sales | | | |
| | | - | - |
| Other income | | | |
| Other income | | 49 413 | 201 433 |
| Interest received | 12 | 51 861 | 78 378 |
| | | 101 274 | 279 811 |
| Operating expenses | | | |
| Administration and management fees | | 3 227 820 | 3 382 669 |
| Advertising | | 6 942 | 3 517 |
| Auditors remuneration | | 35 474 | 35 337 |
| Bad debts | | 1 389 619 | 893 674 |
| Bank charges | | 36 782 | 39 457 |
| Board meeting costs | | 20 924 | 19 563 |
| Caravan expenses | | 180 659 | 252 461 |
| Computer expenses | | 212 726 | 254 776 |
| Debt collection | | 208 487 | 313 316 |
| Depreciation, amortisation and impairments | | 28 018 | 7 513 |
| Discount allowed | | 458 301 | 460 420 |
| Employee costs | | 3 260 820 | 3 557 556 |
| Entertainment | | 57 851 | 62 746 |
| Exchange fees | | 1 236 649 | 1 033 830 |
| Insurance | | 7 993 | 7 993 |
| Legal expenses | | 3 250 | - |
| Levies paid - exclusive use resorts | | 1 806 897 | 1 661 459 |
| Levies paid - other resorts | | 4 915 828 | 5 427 342 |
| Printing and stationery | | 38 715 | 24 017 |
| Rent and electricity | | 170 753 | 228 232 |
| Repairs and maintenance | | 5 443 | 6 211 |
| Subscriptions | | 72 373 | 134 723 |
| Telephone and fax | | 33 843 | 36 610 |
| Travel - local | | 102 347 | 146 999 |
| Workmens' compensation | | 10 724 | 13 651 |
| | | 17 529 238 | 18 004 072 |
| Operating surplus | | | |
| | | 100 755 | 35 469 |
| Finance costs | | (7) | - |
| Surplus before taxation | | | |
| | | 100 748 | 35 469 |
| Taxation | 13 | (462) | (7 946) |
| Surplus for the year | | | |
| | | 100 286 | 27 523 |

Funseekers International

(Tax registration number 9204/830/16/1)

Annual Financial Statements for the year ended 31 December 2015

TAX COMPUTATION

| | 2018 R |
|---|----------------------|
| Net surplus per income statement | 100 748 |
| PERMANENT DIFFERENCES | |
| Section 10(1)(e) exemption | <u>(100 749)</u> |
| TEMPORARY DIFFERENCES | |
| Interest received | 51 861 |
| Minus: Allowable deductions (Audit fees: R104) (Bank charges: R107) | (211) |
| Minus: Section 10(1)(e)(i) exemption - limited to R50 000 | <u>(50 000)</u> |
| | 1 650 |
| Taxable income for 2018 | <u>1 649</u> |
| Tax thereon @ 28% in the Rand | <u>462</u> |
| Reconciliation of tax balance | |
| Amount owing at the beginning of year | <u>21 694</u> |
| Tax owing/(prepaid) for the current year: | |
| NORMAL TAX | |
| Per calculation | 462 |
| Amount owing/(prepaid) at the end of year | <u>22 156</u> |