

**MINUTES OF THE ANNUAL GENERAL MEETING
OF FUNSEEKERS INTERNATIONAL
HELD ON 20 OCTOBER 2018
AT SONDELA NATURE RESERVE**

1.1. Attendance Register

Members

Bouwer MM & JC

De Jager TJ

Dykema R

Mosalakgotla KJ

Nel FA

Tshabalala E

Zietsman JP

P Ngwetjana

Van der Merwe B

Committee

Ian Jansen van Rensburg

Neville Haarhoff

Francois Grobler

Amy Tilke

Danie Blom

Phillip van Vuuren

Weilbach CW & J

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

Invitee

Personnel

Ansonè Enslin

Vicky Galante

Tracy de Haas

Tania Lotter

Admin Clerk

Debtor Clerk

Reservations Manager

Debtors Manager

1.2. Apologies

Van Eyssen AJ

Thorrold H

Moller G

Faller P

Le Roux F

Jordaan A

1.3. Proxy

None Received

2. Welcoming

Mr Francois Grobler opened the meeting by welcoming all present. He thanked everyone for taking the time and making the effort to attend. The attendance register was signed and a quorum was established, after which the meeting was declared properly constituted. A moment of silence was held for Mr Danie Morgan a trustee who passed away recently.

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) for all members to access.

One of the purposes of the report was to highlight the management style of our properties. The awards we receive means that we are measured by an outside organizations, and have received positive recognition for the management of these properties.

The marketing and sales of timeshare products are going through a very tough time as our sales indicates. The biggest influence is the economy and the natural situations for example the water restrictions in the Cape, that influenced our sales and availability in the club. Despite these circumstances we are still experiencing good sales. We are keeping our members satisfied and happy to prevent the club from losing members and folding in the end. We have proof of life and the club will carry on. Our club is stable and we are growing more in the technology front of the club.

The Trustee's Report was accepted unanimously.

4. Presentation of Management Team and Trustees

We would like to thank the Board of Trustees, our staff and management team 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 family all of the very best for 2019.

We would like to congratulate Christo Weilbach in being accepted as a trustee for Funseekers.

5. Minutes of 2017 AGM

The minutes of the 2017 Annual General Meeting were approved.

Proposed by: Mr Danie Blom

Seconded by: Mr Theuns de Jager

6. Financial Statements

The Financial Manager, Mr Grobler, presented the financial statements and highlighted the following points therein:

Independent Auditors' Report – P.4, 5 and 6.

The auditors expressed their unqualified opinion that the Financial Statements present fairly in all material respect the financial position of Funseekers International as at 31 December 2017, its financial performance and cash-flow for the year ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Assets of the company's liabilities – P.8

We have a 74 Million asset value which is represented by 74 Million liability of which 67 Million is the member's interest and the 6.7 Million of the trade creditor.

Statement of Income and Expenses – P.9

We have made a surplus for the year which brings down the accumulated loss when the club officially started to only R99 000.00, by our forecast between the end of 2018 and early 2019 this loss will have been absorbed. The board of trustees have also decided to look what will be done with that surplus, but on the other side we have to highlight that the club is a non for profit organization. The club is for the members benefit therefore we do not pay income tax, except on non-members income which is the interest we earn in the bank. We will have to look how we operate the board of Trustees' input to move the club forward, limiting the increase every year to the members making sure the total breaks even at the end of the year.

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

Proposed: Mr Philip van Vuuren

Seconded: Mr Johan Zietsman

7. Appointment of Auditors

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. Mr Grobler proposes that Funseekers keep Tjaart Oosthuizen & Kie as our auditors.

The appointment of Tjaart Oosthuizen & Kie was accepted.

Proposed: Mr de Jager

Seconded: Mr Christo Weilbach

8. Proposed Budget - Annual Subscriptions for 2019

The Board of Trustees are comfortable with the 4.1% increase in Levies for our members, however as you all know the Minister of Finance decided to increase the VAT rate earlier this year and because the clubs turnover is over a Million rand the club is registered for VAT. The 1% increase in the VAT rate has a 0.9% increase effect in your gross amount, and therefore the Trustees proposed that the levy increase inclusive of VAT compare to 2018 will be 5% for the members.

If you look at the Budget analysis you will notice that there is a small decrease in the subscription income for the club. The reason is that we also signed different types of products in the club. There was a life time membership, Exclusive use membership and then there was a return membership for 10 years when the club officially started. Some of these memberships are now expiring at the end of this year. There are about 100-200 of these members which we have approached, and all of them or most of them are to identify if they will be interested in renewing their memberships by the 3, 5 or 10 years. We have not received feedback from them, so therefore we have not budgeted that levy income into our Budget for this year, assuming none of these members will renew their membership in the club.

Proposed: Mr Koos Boucher

Seconded: Mr Theuns de Jager

9. Appointment of Trustees for 2018

The following members were nominated for re-election as Trustees:

Mr Ian Jansen van Rensburg

Mr Neville Haarhoff

Mr Francois Grobler

Mr Phillip van Vuuren

Ms Amy Tilke

Mr Danie Blom

Mr Barry Palmer

Mr Christo Weilbach

Mr JP Zietsman requested to also be nominated for a Trustee. Although no nomination form was received beforehand, Mr Zietsman will still be invited to attend all Trustee meetings and can then be nominated next year.

The appointment of the Trustees for 2018 was accepted unanimously.

10. General: Discussion of special matters

No requests for general matters were received.

National Consumers Commission investigation (NCC)

The investigation started three years ago where the NCC appointed three advocates to do a national investigation into the industry, but this investigation was stalled for a couple of months due to bad press and a court case against one of the holiday clubs, subsequently suspending the investigation for about a year. Early January 2017 the board appointed the commission of free advocates and they started a national enquiry throughout South Africa. At the end of last year they completed these public hearings, they then had meetings with stake holders, Clubs, the Nation Credit Bureau, the enforcers and the banks to get input from all the role players in the industry. At the beginning of 2018 we were invited again for consultation with the NCC, the industry had representation of all the major and smaller clubs on the discussion panel.

They finalised their investigation in August and we were invited back to the NCC offices where they presented us with a draft report. This report consists of what they looked at, what they found and what the recommendations will be to the Minister of Trade and Industry. This report had items that most clubs already agreed to do and some items that some clubs disagreed on. The three major points that the public had a problem with were:

1. Availability
2. Cancellation
3. Life span of certain products

During the investigation and our presentations to the NCC we stated that the club needs to have stock in it, which is a requirement by VOASA. They have a code of conduct and all timeshare companies are required to apply the code of conduct. Funseekers joined up with I Exchange two years ago and our availability has increased by 10-20 times through the I

Exchange network. We have cancelled perpetuity members for many years and with our consultation with the NCC they were happy with how we apply with the credit act and the consumers protected act.

The NCC said they will be submitting the report to the Minister of Trade and Industry on the 15th of October 2018 and suggested that thereafter they would publish the findings in the press. The findings are a recommendation to the Minister, and he will then go to the Cabinet to amend certain laws and enforce possible stricter regulations on the industry. At this moment all is uncertain and we are waiting for the final report from the Minister.

Mr Ian Jansen van Rensburg thanks Francois Grobler for a job well done at the NCC interrogations that he attended for the club.

Mr Francois Grobler concluded the meeting and once again thanked the members for their trust and support. He wished them and their families a wonderful year.

The meeting then adjourned.

Francois Grobler
Trustee

Ian Jansen van Rensburg
Trustee

Date

Distribution List:

All Members, Committee & Trustees (Ian Jansen van Rensburg, Neville Haarhoff, Francois Grobler, Amy Tilke, Philip van Vuuren, Danie Blom & Barry Palmer, Christo Weilbach) & Funseekers Personnel (Ansonè Enslin, Tracy de Haas, & Tania Lotter)

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