

MINUTES
OF THE 138TH ANNUAL GENERAL MEETING
OF THE NATIONAL HORSERACING AUTHORITY
OF SOUTHERN AFRICA, HELD ON WEDNESDAY,
15 JANUARY 2020, COMMENCING AT 12:00.

ATTENDANCE:

National Board Directors: Mr K G Truter (Chairman)
Mr V Moodley (Chief Executive)
Mr R Bruss
Mr A D Hyde
Mrs S E Kalmanson Rowett
Mr L M F Wernars

Members: Mr A M Costa
Mr F L Lorenzani
Mr C J Maree
Mr R S Napier
Mr A G O'Connor
Mr J Peter
Adv N Riley
Mr N P Sanan
Mrs D A Sham
Mr M D Sham
Mr D C Stonebridge
Mr G W Wiggill

Apologies: Mr S M Dolamo
Adv S M Lebala SC
Mr C Ramsey
Mr A J Rivalland
Mr R J Trotter

In Attendance: Miss H Kayiya (NHA)
Dr S De Kock (NHA)
Mr R Gomes (Nolands)
Mr R McKaiser (Rurik McKaiser Attorneys)
Mr B Sibanyoni (NHA)

1. Welcome and Apologies

The Chairman, on behalf of the Board of Directors, welcomed all Members present to the One Hundred and Thirty Eighth Annual General Meeting of The National Horseracing Authority.

The apologies received for the meeting were read out by the Chairman.

The Chairman requested the meeting stand for a minute's silence in memory of all the Members who have passed on.

2. Quorum

The Chairman advised that The NHA had received 37 Proxies and with these, together with the sixteen Members in attendance, there was a quorum present and he declared the meeting duly constituted in terms of the Constitution of The National Horseracing Authority.

3. Notice of Meeting

The Notice of the Annual General Meeting was published in the Racing Calendar, on Tellytrack, in Computaform, on The NHA Website and was sent to all Members whose e-mail addresses were on file. The Chairman requested that the Notice of the Meeting be taken as read.

Proposed: Mr A G O'Connor

Seconded: Mr R S Napier

The Notice of the Meeting was taken as read.

4. Minutes of the 137th Annual General Meeting held on 16 January 2019 - Agenda Item 1

The Chairman requested the Members to approve the Minutes of the previous Annual General Meeting held on 16 January 2019.

Proposed: Mr R S Napier

Seconded: Mr A G O'Connor

The Minutes of the Meeting were confirmed.

5. Report of the Chairman of the National Board of Directors for the year ending 31 July 2019 - Agenda Item 2

The Chairman confirmed that the Report had been circulated to all Members and had been on The NHA Website from the middle of December. He said that the Report would have given Members an opportunity to brief themselves on the activities of The National Horseracing Authority, the work undertaken by the Committees, the Financial Statements, as well as the statistics for the racing year ended 31 July 2019. The Chairman asked the Members if he may take the Chairman's report as being adopted.

Proposed: Mr R S Napier

Seconded: Mr A M Costa

The Chairman's report was adopted.

Mr Napier raised a query on the Winning Favourites percentage emanating from the Vaal Racecourse, which were half of the winning favourites of any other racecourse, namely 16.53%. He said we all hope to achieve at least one third of all winning favourites, but the Vaal, for some reason or other, seems to be very low.

The Chief Executive explained to Mr Napier the various factors that could influence these results. The plated, pinnacle and condition races, together with feature races, are mostly staged at the Vaal Racecourse. Handicap races are mainly staged at the Vaal at the lower end. A handicap race is obviously a race in which any of the participants have an equal chance of winning at most times. In saying that, he concurs that the statistics are low, but it is beyond our control. The Chief Executive ensured the members that the integrity of the races run there are above board.

Mr Napier said that obviously this would appear to be the answer, but when you look at Kimberley, it ended up a lot higher and you would expect Kimberley to be quite a lot lower. Kimberley is 28,3%, so again the Vaal figure just looks low.

The Chief Executive said that Kimberley is close to the international number of winning favourites, which should be around a third. He further added that a better reflection on the statistics would be to increase the favourite's position up to 4th place. Going forward we will implement this.

The Chairman thanked Mr Napier for raising this point.

Mr Peter said that statistics show that world wide one in three favourites win, so why would it be different at the Vaal? He said that he felt that the tracks were not as up to standard as the Turffontein tracks.

The Chief Executive confirmed that the tracks were the responsibility of the Track Manager who reports to the Operators, although we have oversight on the day, as do the Jockeys. He said that when a track is passed fit to race, we as the Authority approve it. In saying that, he said that if it was a track issue, then why are those races taking place there? We cannot blame the track after the event has taken place. He pointed out that there are about 3 800 races taking place nationally and about 600 races staged at the Vaal Racecourse (approximately 480 were handicaps and 120 plate type condition races). The Chief Executive said that as Mr O'Connor had done a track inspection thesis on the Vaal track, he requested that he give the meeting an overview of his findings.

Mr O'Connor said that he did not think that the surface was the problem. He said that problem was that the Vaal has to be properly managed and there is a huge improvement at the moment on the managing of the course. They have made changes and brought it back to one track, where previously they had two separate tracks down the straight, which became a problem because you could not repair the track if there was racing on the track next to it, due to the watering configuration, etc. This has now changed and the Vaal has one track.

Mr O'Connor said that the Operator's had done a very good job in the last season in managing the track. Referring to the favourites, he said it is difficult as there was an argument about the broad bias at the Vaal and this does have an impact to a point. However, he said that even in the report that he had conducted, his findings were the same as people raised 50 years ago, who had said the Vaal Racecourse was probably the finest racing surface in the country due to the natural surface of the ground and good soil. He added that in winter the track does take a beating and he did not believe that the track should be blamed, but rather as the Chief Executive had pointed out, the lower handicaps are raced there and horses at their level have erratic form.

The Chairman thanked Mr Napier for raising this issue. He recommended that the Chief Executive have a discussion with the Operators and advise them that this was raised at the AGM.

Mr Napier said he had a final query on syndicates and the limitations placed in the Rules on the numbers that syndicates could be made up of. He pointed out that at the moment it is not less than 5, but no more than 20. He said that it appears that internationally due to the decline in ownership, they are looking to increase that syndication number, and in fact the United Kingdom now have syndicates that can run up to a 1 000 people. He added that he thought that this was a very good thing for racing as it enables people to come in and pay a very nominal price for a horse and they are able to say that they own a part of that horse. This gives you a different dimension to what is available at the moment. He said that he has requested the Racing Control Executive to submit this to the Rules Committee at their next meeting, to see if they might not consider looking to change the Rule, as he believed that this could be quite interesting to enable us to get a broader spectrum of Owners in.

The Chief Executive said that although the Rules reflect up to 20 people, we have had very minimal requests to go further than that. In saying that, this will be included for discussion at the next Rules Committee Meeting. He added that The NHA mandate was to promote the sport of horseracing and we endeavour to do so wherever possible.

**6. Audited Financial Statements of The National Horseracing Authority of Southern Africa and the Funds held in Trust, for the period ended 31 July 2019
Agenda Item 3**

The Chairman confirmed that the Financial Statements had been published and if there were no questions, requested the meeting to adopt the Financial Statements.

Proposed: Mr R S Napier
Seconded: Mr A G O'Connor

The Meeting resolved to adopt the Financial Statements.

**7. Appointment of the Auditors
Agenda Item 4**

No objections were raised to the re-appointment of Nolands South Africa as the Authority's Auditors.

Proposed: Mr A G O'Connor

Seconded: Mr A M Costa

**8. To transact any business which may be transacted at an Annual General Meeting
Agenda Item 5**

5.1 Defaulter's – Outstanding debt in the Racing Industry raised by Mr M Sham

Mr Sham introduced himself to the Board and Members present.

Mr Sham said that he has been involved in horseracing for longer than he cared to remember in many different ways, from being an avid punter, to a farrier, to a bookmaker, to a horse transporter, breeder, owner and he was now training with his wife. Apart from the thrill of having a winner, the other end of the spectrum has always been bad debt which has now become a major issue and the cause of loss of many people in the industry. He advised that he had an independent survey done by a Chartered Accountant. The survey was performed across the industry, including 32 participants. The participants included Trainers, Breeders, Veterinarians and other service providers and operators. These 32 participants have been in the horse industry for periods ranging from 18 months to 53 years. The current amount owed by these service providers and operators is R34,8 million, which excludes R15.4 million, which has already been written off. He added that he did not expect The NHA to be debt collectors, but that he expected The NHA to uphold their Rules regarding defaulters and be stricter about giving colours or any licences, even if this would mean a Rule change. Also, to get proof of financial stability, which is basically what Trainers, farriers, veterinarians, etc. do. He said that an idea that he has is maybe let the Racing Association vet all new colour holders, Trainers, licences, and that this should apply to current holders too, in every year that they apply. He said Mr Moodley had taken umbrage to them saying that they have been treated like mushrooms and queried what Messrs Moodley and Hyde had done since the open letter he had written in October to them and to the Sporting Post. He said that not one word had been received from them. He added that while he realised that we are trying to move forward, we also have to make sure that our industry operators and service providers are covered. He requested that Mr Dell Stonebridge, who had undertaken the survey, go through figures with the meeting.

The Chairman agreed to Mr Stonebridge giving the meeting an overview of the survey.

Mr Stonebridge introduced himself and said that under service providers, the biggest single outstanding debt is sitting with a trainer who currently has R4.8 million outstanding. He said that if you think about that, a trainer who is carrying the cost of horse feed, training, paying the stabling, the veterinary fees, they are horse people and they are not going to not feed the horse because the owner has not paid them. We are finding that especially owners, are moving the horses to other Trainers and there are no repercussions that the trainer has, as they have to hand over the passport. In years gone by, in certain instances, you could almost hold back the passport as a bit of a leverage to get your money that was owed, but there is no Rule that allows the Trainers to do that. Unfortunately, that debt just gets passed onto another Trainer. There is the Veterinarian that we looked at. The Veterinarian that is currently owed R500 000 by current Trainers and there is nothing they can do, as there are Owners with those Trainers that are paying their bills. Mr Sham said that they were just looking to The NHA in terms of how potentially they could support service providers in our industry that is currently shrinking, to maintain or kind of reverse this shrinkage, as unfortunately for these small businessmen, it is not sustainable.

The Chairman thanked Mr Stonebridge for his input.

The Chief Executive said that he was not sure where Mr Sham's comment about the "mushroom" emanated from. He said that he was not in the employ of The NHA in 2016 at that time. In the Minutes of the AGM held in 2016, a similar issue was raised (he said he would pass the Minutes around if the Members so wished), a proposal was received by Dr Katzwinkel for The NHA to assist with debt collection. These Minutes had made it categorically clear on what The NHA stance on the matter is.

"The proposal from Dr Katzwinkel was discussed.

Mr Reid said that if The NHA assisted Veterinarians to collect outstanding debts, then it would have to assist all suppliers to the industry. It did not have the resources to perform such a task."

"Mr du Plessis agreed with Mr Reid, saying that it would place an enormous burden on The NHA. He added that The NHA should not become involved in the business relationships between other parties."

Mr Maselle disagreed. He said that the Member had asked for a decision to be made and therefore, was entitled to one.

Mr Wainstein explained that The NHA had become involved in assisting Trainers to recover outstanding debts from Owners. This was already draining The NHA resources. It would not be feasible to extend this without increasing The NHA's resources substantially.

Mr Kobusch said that it was not appropriate for The NHA to collect debts on behalf of Veterinarians, when the Veterinarians determined their own charges and fees which were often regarded as exorbitant.

Mr Wainstein advised that the Racing Association had previously explored the possibility of employing the services of a Veterinarian for the purpose of administering the compulsory vaccinations. Unfortunately, it has not been supported by the Owners and Trainers.”

The Chief Executive said that he supported the decision taken at the 2016 AGM and would continue to apply it accordingly. The National Horseracing Authority itself, as a body, is being funded by the Operators. We have not got the resources or the time to do this. Therefore, the status quo of Rule 97 will continue to be applied.

Mr Bruss said that the real issue here is that the cash flow cycle of the entire industry itself had shrunk and this precipitated the debt problems that the industry was experiencing. Everybody who works in the industry knows that we have serious problems. He said that when The NHA had held a Bosberaad in September of last year, they had tried to identify the list of problems. These included 15 different crises that the industry faced and required attention. Mr Bruss added that the industry was restructured by the Government more than 20 years ago, to corporatise the industry and this created the public company Phumelela. The subsequent contraction was evidenced in many segments. At the time we had 1 386 Breeders, today we have 160. That gives you a measure of the downsizing.

The corporatised structure meant that the National Horseracing Authority became funded by the Operators, so it is limited in its powers. It is not what the former Jockey Club used to be once when it was all powerful and we could make all decisions. Now a lot of decisions are made by the Operators and The NHA can only respond to decisions, in terms of the Service Level Agreement.

One of the main remedies for The NHA may lie in the National Gambling Amendment Bill, now before Parliament. Since corporatisation, 22 years ago, the total gambling turnover in horseracing has only grown by 2% per annum, whereas every other aspect of gambling has grown exponentially. We need to actually take stock of why that is, why we are not growing, why we are spinning downhill, why we have lost 85 000 jobs, why the number of Breeders has gone from 1 300 to 160. We are an industry in crisis and the sooner we actually stand up together, speak about it and come to a joint solution, all the better. For example, he had discovered recently from the National Gambling statistics that horseracing is paying four to six times the tax rate compared to all other forms of gambling. Horseracing pays the equivalent of 2.3% of turnover into tax and yet Casinos pay 0.5%. Compare this against the backdrop that Horseracing employs 23 times as many people for every rand gambled, compared to Casinos and more than every other form of gambling. It can be argued that we are an agricultural industry, as well as a sport and a betting business, and as a consequent job multiplier, we should be permitted a tax reduction. Such mechanisms would dramatically enhance the cash flow cycle and reduced the endemic debt caused by the existing structure which was imposed by the Gauteng Government in the first place.

The Chairman thanked Mr Bruss and said it is quite alarming when you listen to some of these statistics and the betting turnovers and how we have gone backwards. The industry is in dire straits and we need to take cognisance of that and see what we can do about it.

Mrs Sham said that they were not asking The NHA to be debt collectors. Mr Stonebridge has the figures, whether it is a Veterinarian, an Operator, a Transporter, you ask as per Rule 97 that we come with a Default Judgment and that person will be defaulted until the debt is paid. She said they were asking The NHA to back their Rule by saying to Mr So and So, we have a Default Judgment against you. Until you show us that it is clear, you are defaulted.

The Chief Executive confirmed that there is a process that The NHA follows, which has been discussed previously on numerous occasions. When The NHA receive a Default Judgment, we then write to the person and advise them that we have received a Judgment and afford them 10 days in which to respond. If we do not receive a response, we will then default that individual. We have to give the other person an opportunity to respond. The person then responds saying they were not aware of the Judgment and advise that they are applying for a rescission. Upon receipt of the letter of rescission, we cannot place a person on the Defaulter's List. He stated that we have to follow Rules, we have to lead by example, The NHA is not above the law. The Chief Executive requested The NHA Attorney, Mr Rurik McKaiser to address the meeting.

Mr McKaiser said that the general process is the fundamental reason why The NHA cannot just list somebody, as even before we get to the rescission stage, there might be an underlying dispute as to the legitimacy and the value of the claim. To get certainty for The NHA to be in a position to execute on the Rule, it asks for that dispute to be adjudicated. That dispute is then adjudicated by virtue of due process of law, a rescission is made. When you have that rescission, the party has the right to Appeal. If there was no opposition and it was by default and the party comes to hear of it, then they can make a rescission application. In these cases, when the ruling is made, or when the application is made by a rescission, or an application on Appeal, the previous decision will be suspended until there is finality on the rescission application or the Appeal. That does not take the actual ruling away, it just pends it until the next Court makes the decision. On those grounds it would be inappropriate for The NHA, with proof of an Appeal application or a rescission application to proceed. We then have to go through all sorts of issues with regards to defamation and related issues.

The Chairman thanked Mr McKaiser for his input.

The Chief Executive queried if Mrs Sham had a Training Agreement with all their owners and suppliers and asked if this could not be handled in that manner.

Mr Sham asked why The NHA do not go back to how it was in previous years, for example 1975 or 1980, when you had a limit of financials per horse.

The Chairman said that he wished to say that both Mr and Mrs Sham had made their point extremely well and said he had sympathy for the situation that some Trainers and Veterinarians finds themselves in.

Mr Costa said that he felt that when you are in business and you grant credit, you must make a character assessment of the person you are dealing with and if you have any doubts about the integrity or the financial ability of the person, then do not deal with them, that is the long and the short of it. He stated that The NHA did have the Rule in the old days that you had to apply for a licence and satisfy the Board that you had the financial ability and that you had to have a sponsor and a co-sponsor to do that. There was a huge outcry because the argument was that we are not here to judge the financial ability of the person. He said that The NHA cannot be the guardians of people who give people credit and the responsibility lies primarily therefore with the business person, whether you are an Attorney or a Veterinary Surgeon, if your client does not pay your fee, you terminate your relationship with him.

Adv Nigel Riley said that he wished to point out that The NHA Attorney was not quite correct. Rescission law just simply says it pends the Judgment, not that you cannot act on the Judgment. What it does not do and what he believes the Shams want, is The NHA to suspend the person pending the rescission application being granted. From that point of view, it does not automatically set aside that Judgment, there is a process that still has to happen. The complaint is that there is a Judgment and until such time it is set aside, then the person should be placed on the Defaulter's List and that he agreed is quite possible in terms of the law. Obviously, if it is set aside, then the person would come back. The difficulty with the system is that if it is a referred matter, where the person is granted Judgment in the person's favour, what happens then is that it has to go on Appeal. If it is a Magistrates Judgment, it would go to the High Court and that would take over a year. Adv Riley suggested that the first thing that The NHA could start enforcing was contracts between the parties. He recommended the possibility of some form of Ombudsman, like in the Insurance Industry.

The Chairman thanked Adv Riley for his input and requested that if he had the time, he could possibly let The NHA have some ideas on how this situation could be addressed.

The Chief Executive said he wished to reiterate that he would not be comfortable to post a person as a Defaulter, if a rescission application is in process.

Mrs Rowett pointed out that Rule 97 does say that after consideration of such representations, the Chief Executive shall have the power to and shall determine, in his discretion. So, in his discretion in this case, the Chief Executive decided that since the rescission application had been made, to hold off on the matter until the Court decides.

Mr Costa stated that, with respect to Adv Riley he disagreed. A Default Judgment is not absolute, as you could find the situation where the summons is pinned to the front door of the defendant's home and the wind blows it off. The next thing is the defendant comes to know about the matters when the Messenger of the Court arrives with the writ.

That is the first time he knows about that Default Judgment that has been taken. He is entitled to apply for a Rescission of the Judgment.

Mr Costa said that if we amend the Rule, as recommended by Adv Riley, then The NHA will remove the Colours of the Owner because the Default Judgment was obtained against him. This would create a problem as what would happen to the horses in the interim and who would pay for their keep. The Owner then applies for a Rescission and gets the Rescission. He queried if we would then re-instate his colours again.

The Chairman said that he really did believe that this topic had been given the time it deserves and we have discussed it in full. He added that we have given an undertaking that we will look at this. He added that The NHA would welcome any written submissions that would assist in the process. He thanked the Shams for bringing it to the Annual General Meeting.

5.2 Racing by Mr Mark Sham

Review of Inquiries by the Inquiry Review Board – Press Releases

Mrs Sham said that she wished to raise the issue that in May 2016 she had been found guilty of an Out of Competition positive, during a Jockey Club or NHA Rule change and was found guilty after a very lengthy and expensive Inquiry. She said that she had been given a hefty fine, including a penalty for a previous one. She advised that her Inquiry had finished at 4:30 in the afternoon and at 5 o'clock The NHA had already issued a Press Release on the Sporting Post saying that Trainer Sham had been found guilty and fined. That was in the media in half an hour. She said that she was labelled a drug artist and that she should not hold a training licence if she could not train a horse without giving it drugs. Nobody knew why the horse had had an injection, but that was how she had been labelled in the social media.

On 13 February 2017, Mrs Sham advised that she had received a letter from Mr Hyde saying that the Inquiry Review Board had set aside the finding and the penalties imposed on her. Mrs Sham advised the meeting that she felt that this information should have been published.

The Chief Executive said that although this had taken place before his tenure at The NHA, he said he had read Mr Sham's e-mail, which had been in the public domain. He pointed out that Mrs Sham had pleaded guilty to the charge. He said he had a copy of The NHA's Press Release that had been issued after the Inquiry, and as per the Press Release, Mrs Sham had pleaded guilty to the charge.

The Chief Executive said that Mr Hyde would elaborate further on this matter as it had taken place in 2016.

Mr Sham queried why the letter was not a Press Release?

The Chief Executive said he would like to answer the question. Unfortunately, The NHA's practice is not to issue a press release after an Inquiry Review Board decision to set aside a matter.

Mr Sham replied that in other words, the Chief Executive could do what he pleased. He said that he would not listen to this and proceeded to abruptly leave the meeting.

Mrs Sham requested the Chief Executive to continue as she had raised this point.

The Chief Executive stated that this kind of behaviour was unacceptable. He then advised Mrs Sham that he had not been at The NHA at the time of her case and was reading the Press Release objectively. Mrs Sham had pleaded guilty to the charge and had never appealed the decision, hence the normal processes of The NHA had been followed and the Inquiry had been sent to the Inquiry Review Board. This is an internal process which basically gives you a "free" Appeal. The Inquiry Review Board then found a technical or procedural flaw? We have never ever sent a Press Release out following an Inquiry Review Board decision. We wrote to Mrs Sham advising her that the matter had been set aside. He said there was communication and Mrs Sham was free to publish the letter on websites, if she so wished. He added that regrettably this had occurred in the period 2016 to 2017 and had not been raised before, not even in the 2018 or 2019 AGM.

The Chief Executive said that this is the reason we have never issued a Press Release from an Inquiry Review Board. We just do the finding, or it goes into the Racing Calendar. It was never the process.

Mrs Sham advised Mr Moodley that it had never been published in the Racing Calendar and that was her argument.

The Racing Control Executive said that only matters that are confirmed by the Inquiry Review Board are published in the Racing Calendar. He added that Mrs Sham had stated that within half an hour upon leaving the office space in Port Elizabeth, a Press Release had already been issued. The Inquiry took place on the 10th of November 2016 and the Press Release had only been sent out on the 14th of November 2016, some four days later, enabling the Chairman of the Inquiry to prepare the press release. Following which the matter was referred, as is normal practice where there is no legal representation, to the Inquiry Review Board, who set aside the Inquiry on a technical aspect.

Mr Laurence Lorenzani introduced himself to the meeting and advised that he had been a long-standing racehorse owner in the mid-eighties. He said that he wished to make one point, after having listened carefully and he thought that to a lesser or greater degree, there is a long history to what is clearly a very aggressive meeting, in his opinion. He said that he felt that it was the responsibility of everybody that is part of the racing game to work towards the benefit of the game. He said that the Chief Executive is ultimately responsible to the Board.

Mr Lorenzani added that he was quite sure that the Chief Executive was sharing some of the frustrations that the whole industry has. He added that he agreed with the fact that it is the individual's responsibility to vet any potential service provider or any potential client that they take on. He said that a lot of what had been raised at the meeting had actually been by and large taken care of in sound Rules, that have been reviewed and processes that are in place. Mr Lorenzani thanked the meeting for their time and advised that he had to leave.

The Chairman thanked Mr Lorenzani for his input. He said that The NHA do listen and gave an undertaking, that without making any promises, The NHA would certainly endeavour to see where we can improve our Rules and improve our systems for the betterment of racing.

Mrs Rowett said what she understood Mrs Sham was suggesting, taking aside her personal issue, is that all results of the Inquiry Review Board should be published.

Mrs Sham said not everybody, in fact a very small portion of the public read the Racing Calendar, but the outside public all read the Press Releases. She added that The NHA are happy to publish that the Inquiry Board confirmed the finding, but the Inquiry Review Board setting aside her case was never published and therefore the public were never made aware.

Mr Napier suggested that the matter be taken back to the Inquiry Review Board to revisit.

The Chief Executive said that basically Mrs Sham was saying that the procedure was incomplete. If the Inquiry is confirmed or set aside, it should at least be published in the Racing Calendar.

The Chairman thanked Mrs Sham.

Agenda Item 6 General

6.1 Horse Welfare

The Chief Executive requested the Racing Control Executive to give an overview on horse welfare from The NHA perspective.

Mr Hyde advised that Horse Welfare is an area of our industry that we take extremely seriously. He said that Messrs Napier and Costa had attended many meetings with him over the last few months, where they have identified the main impediment on improving horse welfare, being financial resources. Various people from the industry have been included in these meetings and at the last meeting there were representatives from the Jockeys' Association and the Bookmakers Committee, that have taken upon themselves to attend. We look at how we can improve the financial ability of the horse welfare aspect and how we can provide for these horses. He added that it was not just a thoroughbred racing problem; it was across all the equine disciplines.

Mr Hyde said that of course, it all comes down to the financial ability to provide care for horses that have retired, or are not receiving the necessary care and we are carefully looking at how we can include all representatives and parties within the industry to do what we have to do. He said that thankfully we have the opportunity next month at the Asian Racing Conference to put that message out in very strong terms, that this is an issue that we are facing.

A number of e-mails from international delegates that are very keen to have representation from The NHA have been received. They wish to know how we can advise them of the problems that we have and how they can give us some solutions and remedies as to how we can look at this issue. It is a work in progress. He added that as the Authority, we are trying very hard to track where horses are going, where they end up and it is a huge problem.

Mr Hyde re-iterated that horse welfare was very important to The NHA and that we take this issue extremely seriously.

The Chairman thanked the Racing Control Executive.

Mr Napier thanked Mr Hyde for his input. He said he wished to add that we have been trying for 7 years to obtain industry funding for horse welfare and regrettably have not made a great deal of progress before now. He added that both Messrs Moodley and Hyde had helped a great deal in giving their support. He added that we now have everyone on board, which includes Hollywoodbets, the Bookmakers and all the Equine disciplines. He said that with The NHA's continued support and assistance from the Asian Racing Conference, we may actually at last come up with a funding model that would help horse welfare.

The Chairman thanked Mr Napier for all his work and efforts over a number of years in establishing the horse unit, which he said was a remarkable achievement.

Mr Costa advised the meeting that all donations made to the National Horse Trust are subject to Section 18(A) of the Income Tax Act and the person would receive the tax benefit of the deduction.

The Chairman said that sadly listening to a lot of the conversation at this Annual General Meeting, it all comes down to money. At The NHA it is just getting tighter and tighter and the whole industry is being squeezed. He said that having been in the Chair for three years, this was his last AGM. He pointed out that one of the biggest obstacles The NHA has faced is the question of money, as we are not properly resourced. He added that how this could be changed, was to possibly look at different funding models. He said that Mr Bruss has a point when he talks about the new Gambling Act and possibly there will be a new dispensation for The NHA in the future.

6.2 Grooms – Registration Process and the way forward

The Chief Executive gave the Members an overview of the current Groom situation. Communication had been made with the Grooms after Suumercup Day advising them what The NHA stance on the process was. He had advised both Messrs Simoto and Ndwashi that by The NHA registering the Grooms, this would not solve their current problems. As per The NHA Rule 12.1, a compliant body needed to deal with the issues before The NHA is able to act.

In addition, the expectation of the Grooms in respect of what The NHA can fulfil, will first be clearly defined. He said that as per the Industry Agreement confirmed in January, The NHA will deal with a unified Grooms' Association or a majority Association. To date, this had not yet been received. The full names, identity documents and a work permit of each Groom has to be made available before registration takes place. The Chief Executive said that it had come to his attention that possibly two thirds of the Grooms in Phumelela region may not be able to fulfil this requirement. The Chief Executive undertook to keep the Trainers' updated on any Rule changes.

Mrs Sham said she felt that the Grooms wanted recognition and her suggestion was that The NHA make an extra step under the title Stable Employee, perhaps something between going from a Groom who has just commenced working, to an employee who has been employed for 20 years and requested The NHA give this suggestion consideration.

The Chairman said that he felt that it was a point well-made and thanked Mrs Sham for her suggestion.

6.3 General

Mr Gavin Wiggill introduced himself to the meeting. He said that he had read an article in the Sporting Post earlier in the week, which appeared to be quite an incriminating article about the Constitution and the selection of Board Members of The NHA. He said that he had not seen a rebuttal and wanted to query whether this was fake news, or whether it was something the Members should be concerned about.

The Chief Executive thanked Mr Wiggill for raising the question about the article on the Sporting Post regarding multiple questions that have surfaced on social media. Firstly, social media had stated that Mrs Susan Rowett is not a Member and should not be on the Board. He said that this statement was flawed as Mrs Rowett is registered under her maiden name Miss S E Kalmanson. My understanding is that women are entitled to keep both their married and maiden names. She is a Life Member as well as a colour holder. Furthermore, Adv Panayiotis Stais was the member on The NHA Board. To be proactive, the Chief Executive said that he had the relevant forms with him and requested Mr Wiggill to look at the application for Adv Stais, as well as the information confirming that Mrs Rowett (Miss S E Kalmanson) was a colour holder.

The Chief Executive stated that it was important that Mr Wiggill, or any of the Members who wished to take the opportunity to view these documents that covered both of these flawed statements, were welcome to do so. He said that as they contained personal information, they were for viewing purposes only and would need to be handed back to the Chief Executive. He added that as far as the Constitution was concerned, the Nominations Committee comprises four persons as per Clause 14.3, page 11 of the Constitution:

- 14.3 In the event of the number of persons serving on the NOMINATIONS COMMITTEE falling below the required minimum of 4 persons, then the remaining persons shall co-opt a person who previously served for a period of not less than twelve months as a NATIONAL BOARD DIRECTOR to the NOMINATIONS COMMITTEE so that the number of persons qualifying as NOMINATIONS COMMITTEE incumbents and serving on the NOMINATIONS COMMITTEE again reaches the required minimum of 4 persons.

If one member is not available, they are allowed to co-opt a member who was on the National Board for a period of 12 months, hence they co-opted Mr Baitz as one member of the Nominations Committee was not available. The Chief Executive advised the meeting that he was prepared to handle any further questions that may be of concern to the Members emanating from websites and social media.

Mrs Rowett said there had also been an allegation against Mr Witts-Hewinson.

The Chief Executive confirmed that Mr Witts-Hewinson is also a member of The NHA and confirmed that this could be proved.

Mr Wiggill said that this would not be necessary as he was comfortable with the response given.

Mrs Sham excused herself from the meeting.

The Chairman thanked her for her attendance and input.

The Chief Executive said that The NHA is run with the highest integrity and he was extremely pleased that this had been raised and that the Members had seen the evidence in the meeting.

The Chief Executive added that an issue had also been raised about the Contract for the Asian Racing Conference which had been signed in the latter part of October 2019, pertaining to huge sums of money. In the Annual Report, Financial Statements Note 24, it is stated that any liabilities that take place for this Conference are not borne by The NHA, but by a third party, namely Phumelela International that has taken over ownership of the Asian Racing Conference. He stated that everything that has been raised in the article can be clarified.

Mr Wiggill said that he accepted what the Chief Executive had said, but sometimes the silence was deafening.

Mrs Rowett said that unfortunately the social media platforms do not verify these issues, as a good Journalist would check their facts and would contact The NHA to verify, prior to publishing.

The Chief Executive in response to Mrs Rowett's comments, stated that Members needed to attend the AGM. In this instance, he was not prepared to answer any of the questions contained on websites, as this would dilute the substance and the attendance of the AGM. The AGM takes place at The NHA offices and not on social media and websites. He added that if we respond to non-Members on websites, there would be no reason for Members to attend the AGM.

Discussion ensued regarding whether The NHA should respond to the articles published on websites. After further discussion, it was decided that The NHA, in this instance, would issue a press release regarding the allegations raised in a letter published on the Sporting Post website refuting the allegations. The Members present, whilst in agreement with the general policy of not commenting on social media posts, felt that because of the seriousness of the allegations, a response from The NHA was warranted.

The Chairman thanked everyone for their input on this matter.

The Chief Executive gave an overview on the industry from a financial perspective. He pointed out that more than 82% of The NHA's funding is derived from the Operators, namely Phumelela, Gold Circle and Kenilworth Racing and the remainder comes from the Stud Book Department and Registrations. He pointed out that The NHA is under tremendous pressure. It is vital that Members know that we are under pressure and for us to take on any more responsibilities with the current work force would not be possible. The levy contribution is under threat and with all the current happenings we are not guaranteed our levy. There has been numerous communications and it is deteriorating. The income in the Stud Book is dwindling due to the double-digit decline in foal registrations. An amount of R4.1 million for restructuring costs in the financials will be implemented in the last third of the financial year. This is the final opportunity of resizing the organisation. He added that staff morale within The NHA and within the industry is at an all-time low and needs to be carefully managed.

Mr Bruss said that he felt that it may be possible that the National Gambling Amendment Bill could finally assist in The NHA achieving the status of being a Statutory Body and should receive independent funding and not be funded by the Operators.

Mr Bruss added that this would then enable The NHA to have total power and integrity to do what is best for the sport and not what is necessarily best for the Operators.

Mr Stonebridge said that he did not envy the Board or the Staff of The NHA their jobs, as it was a very thankless task. He thanked The NHA on behalf of the Members.

The Chairman thanked Mr Stonebridge for his kind words.

Mr Napier said that the Chairman had made it public that he would now be stepping down after the AGM and would therefore, on behalf of all the Members of The NHA, like to thank Mr Truter most sincerely and wished him all the best for the future.

The Chairman thanked Mr Napier. He said that at the same time, he would like to express his thanks to the National Board who have always been very supportive, very helpful and hard working. He added that he would remain on the Board, but that his three-year term as Chairman, as prescribed by the Constitution, had ended and hence he would be stepping down.

In closing, the Chairman said that he would like to make mention of Mr Rodney Trotter, who was also retiring. Mr Trotter has been a Director since 2001 and has never missed a meeting, is reliable and has been an invaluable source of information. He has been a voice of reason and a wonderful colleague to have on the Board. He thanked Mr Trotter for all his endeavours, for almost 20 years.

Finally, the Chairman said that he would like to make mention of Mr Ormond Ferraris, who has now retired and has been an absolute legend as a Trainer in this game. He said that it was important that The NHA recognise his contribution to the game. He advised that he had personally telephoned Mr Ferraris to thank him and that the Chief Executive had written to him on behalf of The NHA.

In closing the Chairman thanked everyone for their time. He believed that the meeting had addressed all of the issues raised by Members.

There being no further business, the Chairman declared the Meeting closed at 14:00.

K P Truter
Chairman