

## **CHAIRMAN'S REPORT**

The Gauteng Horse Society ("GHS") has in recent years become a multi-faceted multi-million rand business. The Executive Committee, in building on the work done by its predecessors, has taken a long term view of this business; and implemented various short term and medium term projects to achieve the ultimate goal of accommodating both the needs of members and the demands of equestrian sport in Gauteng. This includes the recognition that Kyalami Equestrian Park ("KEP") is and will probably remain, the home of GHS; that it is necessary to identify, nurture and develop equestrian talent within Gauteng; that more support and infrastructure should be provided to our regions; that financial and administrative systems must be improved; that an inclusive and transparent Society requires more effective communication; and that GHS forms an integral part of a national sporting code that is governed by the South African National Equestrian Federation ("SANEF").

The Executive Committee's term of office is effectively January to December, and the Society's financial reporting is mid-year. In the result, activities actually straddle two financial terms and the Annual Financial Statements reflect the Society's activities partly for the previous management term and partly for the present. As we approach next year's 75<sup>th</sup> anniversary of formal governance of equestrian sport in Gauteng, this report provides an over-view of not only what was achieved over the last eighteen months but also gives an indication as to what may be expected in the future.

### **MEMBERSHIP**

Over the past financial year the Society accommodated approximately three and half thousand members who competed at all levels in all disciplines at more than 150 affiliated shows.

The Society's membership numbers have not increased much over recent years and a concerted effort is required for this to change. Growth is necessary – not only in numbers, but also for the additional benefits this will bring about, i.e. funding, sponsorship and other potential commercial benefits for the Society and its members.

A Grooms Membership category was created and brings with it insurance and medical benefits that are often not available to these members. The Initial competitions were well received and members are urged to assist their grooms to join the Society. More members will translate into more benefits for this category of membership and for the Society.

Initial discussions with interested parties (at national level, with other provincial societies, and with members of the SANEF Schools Gauteng committees) may soon lead to the introduction of a membership category for pupils competing in the schools' leagues. Another recent development is a discussion centred around an Associate Membership for non-graded riders who presently "hack" or compete at clubs/yards, but not under the auspices of GHS. It will be advantageous to all riders in Gauteng if they were to enjoy the benefits of membership of GHS and the Society will be enabled to progressively offer more to members; in the form of government and corporate funding, and increased benefits that are ordinarily only available to the larger sporting codes.

Members' identification cards will be issued. These will provide access to facilities and events, and allow for reduced rates for corporate services provided by select sponsors.

## **REGIONS AND DISCIPLINES**

The Society operates through a total of 27 committees - covering 7 regions and 9 disciplines. The individual reports confirm that these committees enjoyed an extremely busy and successful year.

Our regions were represented in virtually all disciplines at the inter-regional competitions, which keep going from strength to strength; and which were again well supported by young and old/novice and experienced riders alike. Reining was introduced and well received as a new discipline. We often forget that management of events is complicated by the differing natures of the disciplines and by their levels of maturity and professionalism; all of which place different demands on the Society's structures and finances.

The members of the Driving Committee resigned towards the end of their term; and it will require a commitment from all participants in this discipline to maintain the past months' momentum to keep the Gauteng driving carriage moving forward. Members are encouraged to assist in the activities of their regions and disciplines.

The Disciplinary Committee chaired by Emma Sadleir dealt with matters expeditiously. In a number of lesser offences members chose to accept admission of guilt fines; and only two matters progressed to a Disciplinary Enquiry (in both cases the members were found guilty). Tracy Lomax takes over from Emma, who is studying in London.

The incorporation of SANEF Schools as a separate discipline within the Society's existing structures proved challenging; 6 committees, 500 schools and 2000 children competing at every level in all disciplines at two dozen shows in a six month period! The SANEF Schools National Championships attracted over three thousand entries and was the biggest show hosted at KEP to date. Understanding and encouragement by judges and officials is required to ensure that these children remain within the sport.

GHS was well represented at WEG 2010; with our members comprising the majority of Team SA. The Society also fared well in various other international and national events. Amongst other successes: Wendy Gidlow received the FEI Development Award; Samantha Macintosh returned with a bronze medal from the Youth Olympic Games in Singapore; the South African Pony Rider team (all GHS members) recently beat New Zealand in an international show jumping competition; Jeanne Engela and Nicole Smith won the Stal Van Decraen Young Riders show jumping and dressage series respectively; Lexi Stais and Bryce McCall represented South Africa last year at FEI competitions and we wish Cailin Fensham, Tracy Dando and Angelique Lessing good luck at their respective FEI competitions this year; Claire Webb is now a FEI Level II Tutor and Gregory Goss judged at Hickstead and New Forest; Kate Launder accepted an invitation to assist at Hickstead this year and Jane Kenyon returned with invaluable knowledge and experience from the Global FEI Stewards Forum in Aachen; and just last month GHS Honorary

Members Anneli Drummond-Hay and Enos Mafokate received special honours - Anneli by her induction into the British Horse Society Hall of Fame (as was her famous thoroughbred, Merely-A-Monarch) and Enos received a Certificate of Recognition from City of Johannesburg for his work at the Soweto Riding Centre. There can be no doubt that GHS is "The Home of Champions".

It has been recognised that our younger riders should compete more often in teams and/or against riders from other countries. Plans are afoot to secure sponsors for invitational "friendship" events.

Potential developments for the new year involve two new sponsors: Firstly to fund more international dressage judges and coaches coming to GHS; and secondly to establish a lucrative show-jumping series for our professional riders.

Branding and marketing must be improved. Increased advertising and other media coverage of individuals and events are seen as a priority. Television, radio and the printed media are important tools in achieving an increased awareness of our sport in general, and of GHS events in particular.

## **DEVELOPMENT PORTFOLIO**

This is a new initiative forming part of the GHS Academy. The vision is to identify, develop and nurture equestrian athletes, coaches and those in affiliated roles to ensure the ongoing sustainability of the sport in Gauteng; and to coordinate these efforts from a central point.

Historically disadvantaged riders will be targeted from outlying and rural areas, providing them with a healthy outlet, sense of achievement, life skills and employment opportunities. Various horse establishments have applied to join the Grass Roots Programme ("GRP"), adhering to an established blue print.

Riders will progress from the GRP to be included in the GHS Equestrian Development Scheme ("EDS") which has already seen successful riders compete at WEG 2006, WEG 2010 and in top classes in South Africa.

A programme for Talent Identification and Development (“TID”) will provide on merit for talented equestrian athletes who are able to achieve national status to be identified, their needs assessed and then introduced to a network of service providers such as physiotherapist, mental fitness trainers, sport psychologists, motivational speakers, nutritionists, etc. The aim of the TID programme is to provide identified riders with relevant skills and experiences so as to enable them to move into SANEF’s High Performance category for possible selection for WEG 2014 and beyond.

An integral part of the development portfolio is the Top-Up Programme (“TUP”); aimed at the upliftment of up-and-coming coaches by providing clinics of instruction with recognised registered coaches.

Beaulieu College Equestrian Academy has offered its assistance with equine-related training and tuition; and other partnerships with institutions, experts and sponsors are being set up. In addition to direct government funding, an amount equal to 10% of sponsorship-funding will be directed to the aforementioned programmes. GHS’s Lotto application also provides for the various components of the Development Portfolio.

## **KYALAMI EQUESTRIAN PARK**

GHS is the only member and shareholder, and holds the entire issued share capital, of the South African National Equestrian Centre (Pty) Ltd, the registered owner of KEP. The shareholding was originally divided amongst the other provincial societies, but they were bought out by GHS, which made the final bond payment in 1999. GHS members fund the improvements and maintenance of KEP, and it can therefore rightfully be called “The Home of GHS”. This is the reason why certain CI, CN, Recognised Events and GHS championship classes have traditionally been held at KEP.

The overall facility was constructed over decades, without a master plan which could serve as a blueprint for future development. KEP requires extensive rehabilitation and investment in infrastructure – *inter alia* to competition areas, clubhouse and catering facilities, buildings, as well as roads and water reticulation. Over the past number of years expenditure was

incurred in maintaining old facilities; money now needs to be spent on replacing and refurbishing. This is being attended to in terms of a list of priorities.

The total expenditure on KEP, including maintenance and equipment, amounted to R1,13m in the last financial year. A sum in excess of R½m was spent on improvements to the property. This was necessary to prevent irreparable deterioration and to enable KEP to increase the Society's revenue through the effective use of facilities.

The most significant value-added benefits were on the additional stables, arena related improvements and upgrading of computer systems. Other recent improvements include the two-phased upgrading of the staff quarters, the new Bob Charter/Stubbs warm-up arena, derby jumps in the Stubbs arena, the "new" Peter Minne arena, and conversions to the Lipizzaner centre to accommodate two paying tenants – the South African Lipizzaners and SANEF.

Whilst these developments were funded partly from Lotto and reserves, the benefits to the Society will improve exponentially. It may, however, soon become necessary to follow the examples set by other sporting codes and find a suitable venue-sponsor for KEP. Renting-out of facilities and a "country club" styled use of KEP are under consideration.

Reports on civil engineering services and a water reticulation plant were commissioned to advise on necessary improvements to KEP's roads, storm water and sewerage problems. The indoor arena and security require attention, as do the clubhouse and catering facilities (which will from 1 January 2011 be managed by the newly-appointed GHS catering manager, Mark van Achtenbergh).

## **SANEF**

It has been an eventful year for the National Federation since administrative and financial irregularities were uncovered in February. It was never going to be easy coping with a forensic investigation; a Commission of Enquiry; unsettled staff and administrators; temporary appointments of secretary

general and financial officer; the resignations of the President and certain members of the Management Committee (including the Chairman); the appointment of an interim Management Committee; arranging and managing South Africa's representation (consisting of officials, competitors, horses and supporters) at WEG 2010; hosting the AGM for the Group IX countries; attending various FEI meetings, including meeting with and hosting the President of the FEI, HRH Princess Haya bint Hussein at the Avis SA Derby; and attending to the demanding day-to-day activities of a National Federation. We owe a debt of gratitude to Mr Eric Bianchi (Chairman) and his Management Committee and to Mrs Angie Meredith (acting Secretary General) and the SANEF office staff for continuing to run SANEF under these arduous conditions.

Following the resignation of the Secretary General, Mr Jimmy Dewar, KPMG were appointed by the Management Committee to conduct a forensic audit and Council appointed a Commission of Enquiry. Council assisted the Management Committee when required to do so and was represented by an observer attending Management Committee meetings.

The present status of matters at SANEF is as follows:

- i. There was little control or management of SANEF's financial affairs in recent years and few records existed by way of necessary books of account. The financial affairs of the Federation had to be written up manually. The Annual Financial Statements as at 31 December 2007, 31 December 2008 and 31 December 2009 are to be presented to the new auditors, Mazars, and the audit is set to be completed before year-end. The books for the current financial year are up to date and are to be handed to Mazars in January 2011.
- ii. SANEF has been operating on a cash flow budget during the course of this year and, as the historical income and expense items were not reliable, has been used as a basis for drawing up the 2011 budget. It is apparent that SANEF must increase its revenue and reduce its expenses. Various ways to generate new and to

increase existing revenue are in the process of being implemented. More importantly, SANEF has embarked on a cost cutting exercise; including significant recovery on copying charges and a reduction in rental (by leasing offices at KEP). Further cost cutting measures are under review. SANEF has not to date called upon GHS to honour its loan-undertaking to provide financial assistance.

- iii. Although special discipline funds were significantly reduced over recent years, Lotto funds were “ring-fenced” and are accounted for fully. The latest Lotto application was properly submitted through the South African Equestrian Council and reports have been submitted for payment of the next two tranches from the previous Lotto application.
- iv. The forensic audit confirmed incidents of maladministration, fraud and misappropriation of funds. The Commission of Enquiry was mandated to enquire into questions of responsibility and accountability and to recommend any corrective measures and to consider whether any disciplinary action is required. It is anticipated that the Commission of Enquiry will present its report to Council before year end.
- v. Criminal and civil proceedings will be instituted against Mr Jimmy Dewar. The matter has been handed over to SANEF’s attorneys with the instruction to proceed as expeditiously as possible.
- vi. Advertisements have been placed in national newspapers for the appointment of a Chief Executive Officer/Secretary General and also for a Chief Financial Officer. The SANEF office administration and efficiency are also under review.
- vii. Consultation will take place regarding a potential restructure of SANEF, with the purpose of achieving a more effective National Federation. This may require constitutional changes and, in the interim, existing regulations and protocols are under review to ensure that present management and operational controls are

improved where necessary. The appointment and functioning of the National Technical Committees require urgent attention.

- viii. It bears mention that all relevant governing bodies have been properly appraised of the situation at SANEF – this includes FEI, SAEC, SASCO, Lotto Distribution Trust and Council.

Members can be assured that the GHS Executive Committee is committed to assist Mr Bianchi and his Management Committee in creating a professional National Federation that fulfils the needs of all members and in which our members will have confidence.

## **SPONSORS**

The Avis South African Derby, the Nissan Easter Festival and Nissan Riders' Champs were well-branded by our title-sponsors. Both Avis and Nissan have committed to being title-sponsors again next year.

The Society also benefited from other loyal sponsors – including 1<sup>st</sup> for Women, First National Bank, Beacon, Prime Performance, Saddle Fitting Specialists, Spec-Con, Midfeeds, HQ Magazine, Western Shoppe and Riders Saddlery.

We were fortunate to also attract new sponsors - amongst them Century Property Developments, Mangwanani Spa, Cosira and RSR Prospecting Services.

Our total sponsorship in the last financial year (R2.65m) was up approximately R800 000.00 (in money and kind) on the previous financial year. It is imperative that we source, retain and reward sponsors – they are vital contributors to the development and sustainability of our sport.

A new initiative was launched - a request to corporate donors and individuals to become financial partners through sponsorships, donations or bequests. Tax and BEE benefits attach to this fundraising drive. A project team has been tasked to realise the potential from these sources of funding.

## **THANK YOU**

The Executive Committee consisted of Simon Burn (vice-chair and Portfolio: KEP), Dominey Alexander (Portfolio: KEP), Dr Ian Sanne (Portfolio: Administration), Natalie Hogg (Portfolio: Management Committee-Regions and Disciplines), Lynnette van Zyl (Portfolio: Finances) and Phillip Lowe (Portfolio: Development). Few members appreciate the extent of dedication that these persons gave to GHS; nor do we fully appreciate the foresight and application that our predecessors brought to the task of managing GHS and KEP.

The Society depends entirely on help and assistance from volunteers within our sport. Judges, officials and committee members contribute, individually and collectively, to the success of the Society. The Chairman's Lunch on Derby Saturday can never adequately compensate them for the time and energy they put into our sport.

None of our many committees, and certainly not the Executive Committee, could function without the GHS staff. The attention and long hours (at night and over weekends) that the administrative and ground staff commit to GHS, sets us apart from other provincial societies. Shelly Beckbessinger and her management team (including our KEP-keeper, Jaap Durandt) are the backbone of the Society; without their drive we would not have initiated or achieved what has been set out in this report.

I have, on occasion, thanked some of the staff, committee members, judges and officials referred to above. I have often neglected to do so. I would therefore like to use this opportunity to thank every one, on behalf of the Society, for the part (big or small) that you have played in our many and varied activities.

**PANAYIOTIS STAIS SC**

**Chairman: GHS Executive Committee**

