

MINUTES
OF THE 137TH ANNUAL GENERAL MEETING
OF THE NATIONAL HORSERACING AUTHORITY
OF SOUTHERN AFRICA, HELD ON WEDNESDAY,
16 JANUARY 2019, COMMENCING AT 14:00.

ATTENDANCE:

National Board Directors: Mr K G Truter (Chairman)
Mr V J Moodley (Chief Executive)
Mr R L Bruss
Mr A D Hyde
Adv P Stais SC
Mr R J Trotter

Apologies: Mr S M Dolamo
Adv S M Lebala SC

Members: Mr E G Anderson
Mr C Bowker
Mr A M Costa
Mr A Fortune
Mr P Karam
Mr D Kyriacou
Mr W B Kobusch (The Count of Konigsberg)
Mrs C Hartley
Mr R Hattingh
Mr C J Maree
Adv B Maselle
Mr R S Napier
Mr A G O'Connor
Mr N P Sanan

In Attendance: Dr S De Kock (The NHA)
Miss H Kayiya (The NHA)
Mr B Sibanyoni (The NHA)
Mr N Roodt (The NHA)
Mr R Gomes (Nolands South Africa)

1. Welcome and Apologies

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

2. Quorum

The Chairman advised that the NHA had received 11 Proxies and with these, together with the Members in attendance, there was a quorum present and he declared the meeting duly constituted in terms of the Constitution of the NHA.

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.

The Notice of the Meeting was taken as read.

Proposed: Mr R S Napier

Seconded: Mr A G O'Connor

4. Minutes of the 136th Annual General Meeting held on 17 January 2018

The Chairman requested that the Minutes of the Annual General Meeting held on 17 January 2018 be confirmed, subject to the following amendment:

2. Quorum

The Chairman confirmed that the NHA had received 11 Proxies and together with the Members in attendance, confirmed that there was a quorum present and declared the meeting duly constituted.

The Chairman confirmed that the NHA had on record the 11 Proxies for viewing, if Members wished to see them.

The Chairman requested the Members to approve the Minutes of the previous AGM, with the above amendment.

Proposed: R S Napier

Seconded: A G O'Connor

The meeting agreed to the amendment and the Minutes of the Meeting were confirmed.

5. Report of the Chairman of the National Board of Directors for the year ending 31 July 2018

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 2018. The Chairman asked the Members if he may take the Chairman's report as being read.

Adv Maselle posed a question regarding the Asian Racing Conference.

The Chairman requested that he respond to this question later in the meeting, as it was on the Agenda under 5.1.

Adv Maselle agreed to this matter being dealt with later.

The report was taken as read.

Proposed: Mr A Costa

Seconded: Mr A G O'Connor

6. Audited Financial Statements of The National Horseracing Authority of Southern Africa and the Funds held in Trust, for the period ended 31 July 2018

The Chairman requested Mr Moodley take the meeting through the Financial Statements.

The Chief Executive stated at the outset that he was new to the business and was speaking on the previous Chief Executive's report. He said he wished to highlight that the total revenue for the Stud Book fees was down from R8 900 000 in 2017 to R5 000 000 in the current financial year. An amount of approximately R2 900 000 was for the breeder registration fees and TBA adjustment.

The Chief Executive pointed out that in the Chairman's Report regarding the Asian Racing Conference, a figure of R804 456 for 2018 had been reflected. He said that this included some pre-bidding costs for the ARC 2020, which were just below the R500 000 that we expected to be refunded. He said that the NHA have a letter from S A Tourism (S A National Convention Bureau) confirming this.

He further pointed out that due to the fire in the laboratory and most of the equipment being destroyed that this related to the increase in the consumable costs line.

The Stud Book Department reflected an increase of R1 200 000 that was mainly due to consultancy fees and staff replacement costs during the year. He added that this was a once off cost and added that this would not increase going forward.

The remainder of the report was taken as read and the Chief Executive then opened the floor to questions.

Adv Maselle raised the question of the Asian Conference and the amount of R804 456 and queried whether the R500 000 related to the deposit.

The Chairman advised that of the Asian Conference expenditure reflected, the NHA had received a letter from S A Tourism confirming that they would subsidise the Asian Racing Conference for the amount of R452 000.

Adv Maselle said that he felt that the amount that we had been promised by S A Tourism should have been reflected to show that we would offset this amount.

The Chief Executive advised that the monies had to date not been received from S A Tourism and were therefore not reflected in the Annual Report.

Adv Maselle understood the timing difference issues discussed and he further advised that he was of the opinion that a note needed to be included, reflecting the amount expected from S A Tourism.

Adv Maselle requested that any items that are to be raised on the Agenda, be sent out to all Members prior to the meeting, to enable them to decide whether they wished to attend to address any specific matter. As far as the expenses were concerned, he said that he had previously complained about the ex-Chief Executive's travelling and accommodation expenses. He said that he had addressed the ex-Chief Executive in writing and had raised the issue that he did not see anything in the expenses that showed the travelling and accommodation expenses. If the NHA was paying for it, then surely the Members should be aware of what the position was relating to these expenses.

The Chief Executive advised Adv Maselle that going forward there would be detailed line items reflecting the various expenses. This reporting structure was ratified by the National Board at their meeting on 2 November 2018, to ensure that in future we would have line by line items.

The Chairman said that in future it would be made very clear to everyone where the expenses were allocated.

Adv Maselle thanked the Chairman, but said that he was more concerned with the past and would like Members to be provided with a breakdown of the expenses and where they have been placed in the financials.

The Chairman requested the Auditor, Mr Rafael Gomes from Nolands, who was present at the meeting, to respond to Adv Maselle.

Mr Gomes advised the meeting that the travel and accommodation expenses have been broken up and allocated into the various categories of expenses, as opposed to having a line item that says travel and accommodation. He said that for example, if the travel and accommodation related to Management, it would be sitting in the Management line item. Stud Book expenses would for example, be sitting under the Stud Book Department line item. That is how it is has been categorised at this point in time. He advised that as the National Board have indicated, Nolands had also recommended that in terms of transparency, this was not set out as it could be.

Mr Gomes added that they had also recommended that in terms of expenses, function rather than by its nature, travelling, marketing, etc. would better represent what the expenses were used on, as opposed to the different categories presently set out.

Adv Maselle said that this did answer his question, but he would like to know what the travel and accommodation expenses for this period were and this should be published on the NHA Website. He added that this was not to enable Members to point fingers, but to ensure transparency. He said that the very fact that the NHA have resolved to change the way it is presently done, indicates that there is a willingness on the part of the Board to make changes and show transparency. He requested an undertaking from the Board that this would be done and placed on the NHA website.

Adv Maselle advised that the Members would be more than happy with an undertaking of a time frame of three months for this to be undertaken.

The Chairman thanked Adv Maselle for raising the issues and added that the NHA agreed with him. He gave Adv Maselle an undertaking that he would comply with his request, within a reasonable space of time and thanked him for his input.

Mr Kobush said he wished to raise with the Auditors that in terms of international auditing standards, it is very misleading to place travel and associated costs under Management.

The Chairman said that the NHA have resolved to change this and for the period under consideration, to let everyone have a detailed analysis of that expenditure.

Mrs Hartley raised the question of stud registration fees. She said that it concerned her that in 2017, R8 900 000 had been reflected and now we were reflecting R4 000 000 down. She said that this was quite a considerable difference.

The Chairman re-iterated that the Chief Executive had stated the reasons during the financial report analysis on the early decline in the late registration of foals and the reversal.

Mr Sibanyoni advised that the NHA had arrived at a figure and agreed with the TBA that the one component was the TBA and the other component was foal registration fees. He added that the NHA had gone back and reviewed everything since its inception.

The Chairman said that this figure was higher as a result of the one off adjustment that had been done. He said that this was compounded this year due to the breeders having been particularly slow in making payments.

The Chief Executive advised that he had looked at this and going forward, he would endeavour to simplify this.

Mr Kobush requested that the Auditors explain the insurance refund.

Mr Gomes said that there were notes in the statement and this related to the Laboratory fire. Part payment was received from Alexander Forbes in the previous financial year and then the balance in the 2018 financial year.

The Chairman said that the National Board should be given credit for making adjustments to their Insurance Policy. He said that this had been extremely timeous, as the NHA could have faced a very serious problem on how we would have replaced some of the very expensive equipment without the current policy being in place.

Mr Kobush complimented the National Board for having done this.

The Meeting resolved to adopt the Financial Statements.

Proposed: Mr A M Costa

Seconded: Mr R S Napier

7. Appointment of the Auditors

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

Proposed: Mr R J Trotter

Seconded: Mr A G O'Connor

8. To transact any business which may be transacted at an Annual General Meeting.

8.1 Proposal made by Mr Paul Karam

- a. Mr Karam queried the horse identification system. He advised that his 3 year old gelding *TRIBAL FORCE* had passed away in a freak accident. He had requested that DNA be taken from the euthanased horse and sent through to Onderstepoort, who had advised the NHA that there was no match on the data base of the DNA. He said that he had eventually received a letter from Dr Cindy Harper saying that there was no previous DNA from *TRIBAL FORCE* and there was no comparison, which had confirmed his suspicions that the horse was a ghost. He confirmed that Prof Guthrie had then spoken to him and after long explanations, he had advised him how this worked. Mr Karam said that it had taken Prof Guthrie more than three months to confirm that a DNA test was taken from the blood of the horse when it was microchipped and showed it was a match.

The Chief Executive confirmed with Mr Karam that he was looking into the integrity aspect of the foal registration process and that the physical horse was the real horse. He said that there was a process and advised that it was not flawless. He added that the confirmation was based on a manual confirmation. He advised that the ultimate was the DNA testing.

Mr Karam raised the issue of Mr Spies being insolvent and training. He said that the NHA had failed to do due diligence.

The Chief Executive was advised that there had been a full investigation.

Mr Karam advised that he was not aware of the investigation.

The Chief Executive advised Mr Karam that he would look into this matter and requested Mr Karam to set up a meeting with him to discuss this matter further.

Adv Maselle said that in May 2018 he had paid a deposit and lodged a complaint against Messrs Hyde and Janse Van Rensburg regarding Mr Spies being an un-rehabilitated insolvent. He said that he thought that the Board had been aware of this complaint and to date he had heard nothing further.

The Chief Executive requested Adv Maselle to forward his complaint to him and undertook to look into the issue.

Adv Maselle queried the DNA aspect. He said that the DNA is taken when the horse is foaled, but asked if there had ever been a time when after a race, or before a race, after taking that first DNA sample, if the DNA sample is checked and another DNA sample taken to see if it is the same horse.

The Chief Executive said that in his opening statement he had said that we have to believe that the DNA testing is the ultimate decision.

Adv Maselle said that he was querying whether the NHA was satisfied that the microchip cannot be removed and placed elsewhere.

The Chief Executive said he was not able to answer that question. There is a manual human process to take care of foal certificates, forms, etc. and naturally there could be a slip up. The other determinate is the blood. You have the number and the blood. He said that logic must prevail.

The Chairman said that to the best of his knowledge that this could not be done. He said that as we were unable to give a categorical answer, we would come back to Adv Maselle. The Chief Executive undertook to investigate and advise accordingly.

- b. In response to a query raised by Mr Karam regarding the length of time it takes to process the urine samples of horses, the Chief Executive confirmed that it takes on average about 33 days for the laboratory to analyse the specimens and advised that it cannot be done any sooner. He added that this would also depend on whether we received a request for the sample to be sent overseas for confirmatory analysis.
- c. **Mr Karam queried how the Special Investigation Unit (SIU) is monitored to ensure that the complaints that are lodged with the SIU are dealt with.**

The Chief Executive confirmed that queries that come through to the SIU are screened by the SIU and then sent to the Racing Control Executive. He said that if need be, these may be referred to the Chief Executive.

The Chief Executive advised that sometimes when a complaint is raised, the person whom the complaint has been lodged against, is not within the NHA's jurisdiction. He said there are a variety of reasons why we would not pursue the matter. The SIU is doing their job, but it would depend on whether we have jurisdiction or not. If we have jurisdiction, then we would take action.

Mr Karam said that he had been advised that the complaints he had raised with the SIU did not fall under the NHA's jurisdiction and that he had been advised to take legal action and then the NHA could possibly assist.

The Chairman thanked Mr Karam for raising this issue. He said that in fairness to the newly appointed Chief Executive, he be afforded the necessary time to revert back to him. He added that he had full faith in his experience to conclude this matter and give the necessary guidance.

- d. Mr Karam queried why the National Board of Directors and/or staff employed in senior positions were requested to sign non-disclosure and confidentiality agreements regarding the business of the NHA.**

The Chief Executive responded that he was not sure why this question had been raised, but in saying that, he added that he would lead the NHA with confidentiality of the highest order. He said that the NHA is an integrity business and dealt with sensitive issues. He said that he would continue to ensure that his staff sign confidentiality agreements.

- e. Mr Karam had raised under item e. of the Agenda that the NHA had announced in 2018 that they would be hosting the Asian Racing Conference (ARC) in 2020.**

Mr Karam said that this was no doubt a coup for South African horseracing, but had queried the cost of hosting such a Conference since the NHA did not have the ability, infrastructure and funds to host the Conference.

The Chairman gave the Members the background to the NHA hosting the ARC in 2020. He said that the NHA had been advised that they had the opportunity of hosting the ARC in 2020, since we had not hosted it since 1995. Clearly to hold a Conference of this nature is an honour. The bidding contest was fierce and we were up against various other prominent racing jurisdictions.

The Chairman then advised that the NHA had entered into discussions with all the role players, as this was an industry initiative to showcase South African horseracing in its entirety.

The final presentation was made in Dubai and a decision was taken to give it to the National Horseracing Authority of Southern Africa. The ARC announced the bid had been awarded to South Africa at the ARC meeting in May 2018, in Korea and as Chairman of the NHA, he had accepted the baton on the NHA's behalf. With the imminent relaxation of the import/export protocols, this Conference would be a serious game changer for the South African Breeding Industry. He confirmed that a Local Organising Committee was in place that has representatives from all the stakeholders.

Currently the ARC are satisfied with the arrangements that have been made so far and we are expecting a visit from the Committee Members in the latter part of February.

The Chairman advised that we were hoping to bring about 800 delegates to South Africa from racing jurisdictions all over the world. He was optimistic that we will receive support from everyone, as this was an honest endeavour to promote South African Racing.

Mr Napier gave input on the previous Conference that was held in South Africa and the “weaknesses thereof”.

The Chairman noted his comments and confirmed that we shall endeavour to ensure that this Conference is done to the best of our abilities in a professional manner. The Chairman also thanked Mr Napier for being the catalyst many years ago, that has enabled us to be given this opportunity once again.

Mr Costa queried if we had received any offers of support from the Department of Tourism.

The Chairman confirmed that the NHA had received an undertaking from South African Tourism for R452 000 and we are currently in consultation with them. He further added that we are currently in consultation with the Western Cape Tourism, Trade & Investment Promotion Agency for Cape Town (WESGRO) and the Western Cape Government.

Mr Costa queried what a rough estimate of the cost to the NHA would be.

The Chairman said that he hoped that there would be no cost to the NHA as the other role players in the industry have committed certain funds and all delegates who attend the Conference would pay their own way, namely their accommodation, airfares, as well as a registration fee paid in U S Dollars.

Mr Hattingh said that earlier in the meeting the R800 000 odd expenditure had been discussed and it was said that S A Tourism had given the NHA R400 000. He queried whether this was in addition to that R400 000?

The Chief Executive said that the R400 000 discussed earlier was in respect of the pre-hosting of the ARC bid.

The Chairman re-iterated the timing difference as explained by the Chief Executive earlier in the meeting to Adv Maselle’s query.

The Chief Executive said that for clarity purposes, the breakdown of the money given by S A Tourism was in respect of bid support services, on site event services, delegate boost support as well as for site inspection.

The Chairman added that when he was in Korea, the NHA was very well supported by the South African Embassy. The Ambassador and her full staff were in attendance.

Mr Napier added that the greatest example of co-operation with the State is that between regional government and the Racing Authority in the State of Victoria. The State of Victoria contributes substantial amounts of money in order to fund the Melbourne Cup and the Festival around it. He said that it may be helpful to use this as an example of what can be done with the co-operation of the State.

The Chairman stated that not all travel incurred by the NHA is subject to an expense, as when you sit on the ARC Executive, all your travel expense costs are fully paid for by the ARC and this was an important point to make to the Members.

The Chief Executive said that although it was early days and dependent on the number of registered delegates received, it was his understanding was that more than 50% of the monies for the ARC would be recovered from the delegate fees.

f. The National Gambling Bill

The Chief Executive said he was glad that this matter had been raised so that the Members will know what the NHA stance is on the matter. First and foremost there were two parts. The Bill affects the NHA going forward and it affects the Operators. The National Gambling Bill Committee was formed in 2011. It went through the entire process in 2016 and this Bill is now in its final stage.

The Chief Executive advised that the new Bill was intended to provide for the repositioning of the National Gambling Board as a National Gambling Regulator and also to provide for the regulation of the Horseracing Industry. Discussions centred on other aspects of the Bill in relation to the intellectual property.

The Chief Executive advised that he was very excited by this Bill. He added that there appeared to be an underlying tone amongst Members that the NHA is seen to be dictated to by the Operators, although that is not the case. It is the case in terms of our financial funding, but from an operational perspective, it would appear to the outside world that this is what is happening. This Bill will take care of that perception. He said that he believed that from an NHA perspective, this Bill would take high priority, as it will create the independence that is required and will cancel the current perception issues.

Horseracing and Betting Section 44 (b) states that:

- (1) A self-regulatory body that operates within horseracing industry must be recognised, accredited and monitored by the National Gambling Regulator, provided that it meets the criteria set and adopted by the Council in terms of subsection (2).
- (2) The National Gambling Regulator, after consulting with the provincial licensing authorities and stakeholders in the horseracing industry, must design the criteria that must be approved by the Council, which criteria must operate as the minimum standards to guide a self-regulating body within the horseracing industry.

The Chief Executive advised that the point Adv Maselle had raised were issues on the Bill that did not pertain to the NHA, but rather to the Operator. Whilst these questions had merit, the Chief Executive said that we could not elaborate on the matter, as this was not within his jurisdiction.

g. NHA Constitution – Membership

Mr Karam stated that the NHA Constitution placed an obligation on the National Board to approve or reject applications for membership. He queried on how many occasions the Board had met to approve or reject applications and whether the National Board had complied with Clause 9.5 of the Constitution during the relevant finance year.

The Chief Executive advised that the local boards approve Members applications as the Owners normally come from the local boards. If there is a query, they will then raise the query with him and he will take this up with the Board. So far we have never had a query and there has been no need to take a query to the Board in terms of Clause 9.5.

8.2 Proposals made by HIH Wayne Kobusch

The Chief Executive said that he understood that this matter in its entirety had been raised at the 135th Annual General Meeting of the NHA on 18 January 2017 and had been recorded in the Minutes.

The Chief Executive said to summarise, his input on this topic was that he understands the query that Mr Kobusch was raising, but the NHA have no jurisdiction over the Veterinarians, which he was clearly aware of. He said that surely Mr Kobusch is not limited to use a particular Vet and if he felt they were colluding, he felt that this was a Competitions Commission issue. The NHA would not have jurisdiction over this.

Mr Kobusch said he had raised this matter in 2017 and it had history. Since then there has been more history. His concern was if we put so much emphasis into the ARC and our export protocols rely on this. He added that if the NHA requires the Rule, then his concern goes back to the ampoule. He asked why the NHA which insists that horses be vaccinated, and he agrees with that, why doesn't the ampoule have a removable sticker on it that you could place in the Passport like they do with Tetanus. He had a situation that happened before this where a horse that was held on his farm and they were billed for vaccinations. He said he had let it ride to the point where it got to the litigation stage. The proof was on the Vet to prove that he actually inoculated the horse because the horse was not on the farm where he said he had done work. So as an Owner or a Breeder you need that ampoule sticker to go in the Passport. Mr Kobusch said he did not wish to be the rebel in the fight, he was trying to ensure that the system was so fool proof that it cannot be abused by Veterinarians, and he said that he can assure that the Veterinarians do abuse this rule. One can get a Veterinarian to do this and it will cost you R140 for the ampoule and the overall cost is R200. The other Vets, working with the Trainers, charge R800. If the NHA makes the Rule then they must protect the Breeders as well. One cannot lay down the Rule and enforce it. He added that this was another issue.

Mr Kobusch continued to say that the State Veterinarian had given authorisation for somebody to do horsesickness because they do it throughout the area. The NHA wants to bend over the Rule. This is a separate issue and he said he would discuss this with the NHA off the record.

Mr Kobusch said that what he was saying was to protect the industry. It was no good going to the ARC and talking about export protocol when one can't get the basics right and that is to make the whole process foolproof. He said that his query is why we don't bring about the ampoule and make sure that every sticker gets placed in every passport as an extra step. The Veterinarian is not an authority, he has no power of attorney. The Veterinarian has got to inject horses. He said that the Veterinarians don't scan and inject every single horse. They line the horses up and they go down the line. He added that they don't scan every single horse because it is time and money for them.

The Chairman said that he has a lot of sympathy for the point that Mr Kobusch raised. He said that there appears to be two issues, namely one of cost and one of security.

Mr Kobusch said this is about the cost of the ampoule to put the sticker in. To make sure that this is the horse and placed in the passport. Any Vet can go and sign afterwards and he sees it happening. The passports get presented and they sit down with coffee and they sign. He said that this did not take place on his farm, but on other farms.

Mr Kobusch expressed his dissatisfaction regarding the manner in which certain issues have been handled. He said that AHS is injected into horses in a high vector season and he had this argument in an inquiry the other day where an instruction was given to inject horses in the month of December and follow up in the January in the high season. Mr Kobusch said he told the Inquiry Board that if there was an AHS outbreak now, the NHA will be liable, as they are acting on instruction. The Department falling under the Minister of Forestry and Agriculture sets the Rules and the Veterinary Council.

The Chairman thanked Mr Kobusch and said that it was a very important issue that he was raising. He requested Mr Kobusch to submit a written proposal to the Chief Executive.

Mr Kobusch said he was prepared to do that for the NHA and is prepared to supply any solution to prevent this impacting on our protocols.

Mr Bruss said that this could also be raised at the Sub-Committee that the NHA have with the TBA and Veterinary Liaison Committee that meet once a year, as it is an ideal place to take the proposal forward. He queried whether Mrs Hartley had discussed this at the last meeting.

Mrs Hartley said this specific case was not discussed, but there was a case with regard to farm managers and keepers of the stud farms doing certain work and this was raised by some of the Veterinarians, so in a sense, the Veterinarians are trying to protect their own business.

Mrs Hartley said it wasn't to do with vaccinations, but was more to do with scanning and checking foals etc. and one or two of the farms have the ability to scan as they have scanners and people who are technicians, as well as vet nurses who are able to do the work and one of the Veterinarians actually raised how it was possible that a lay person is allowed to do this.

It raised the question as from a farm perspective and from a breeder perspective, we argued the point that you are trying to save your owners costs.

The only problem that the Veterinarians in discussion saw with it, is that if there was a veterinary problem, it could become an issue if that mare were to abort or were something to go wrong and you could prove that was the cause, then there would be no insurance etc. Mrs Hartley said that was surely up to the owner of the horse and the farm that he keeps his horse on etc.

Mr Bruss said that from the NHA side it is a control issue, to the extent in which we can control, monitor and police it. We can only do that in consultation.

The Chairman said he felt that all the issues raised had been covered.

9. General

The Chairman asked the Members if anyone had any other items they wish to add under General.

Adv Maselle raised the question of why Adv Lebala SC and Mr Dolamo were not present, as well as no representation from the Racing Association. He added that there were a few Trainers that were present. He questioned whether the Board Members that were not there should seriously question remaining on the Board, when they have had adequate notice that today was the day of the AGM.

The Chairman responded to Adv Maselle and confirmed that apologies had been received from Mr Dolamo, who was on the Executive Committee of the PIC and the inquiry had commenced today.

Adv Maselle said that the Chairman did not mention any apologies for them not attending.

The Chairman apologised and said he takes responsibility for his omission. He said that the same thing applied to the absence of Adv Lebala SC. He said that he did not wish to make excuses for Board Members, but apologies had been received in writing from both Board Members.

Mr Napier said he would like to very briefly touch on a subject that was close to his heart and in his capacity as Chairman of the National Horse Trust. He said this should be close to all our hearts. He said that he understood that it was the primary vision of the NHA to look after horses and that they will thrive in our environment. He just wanted to briefly bring to the attention of everyone who was there the slightly parlous state of the finances of the NHT and the various Horsecare Units around the country.

Mr Napier advised that he and John Awbrey had been talking to Lyndon Barends, the ex-Chief Executive, over the last two years about the funding of horse welfare in South Africa and in particular the funding of the National Horse Trust and the various Units under their umbrella.

He said they had also been discussing with Mr Barends, as a matter of some urgency, about the fact that there is no Horse Care Unit in Kimberley and as a result there are some potentially serious credibility issues for horse racing in general, because of the unauthorised flow of horses from Kimberley to Abattoirs in Krugersdorp.

Mr Napier said that as a result of their discussions with Mr Barends over a two year period, he had informed him on 25 June this year that the issue of animal welfare and a levy on the various stakeholders in the racing industry had been approved in principle by the National Horse Racing Authority's Board and he expected that this would be translated into reality at the meeting due to be held before the Vodacom Durban July on 6 July 2018. Mr Barends had advised me therefore that it was anticipated that there would begin to be a flow of funds to the NHT and the Horse Care Units throughout the country sometime after July 2018. He added that he had tried to contact Mr Barends on numerous occasions after 6 July without any success, for reasons which are now well known to you.

Mr Napier said that Mr Barends was therefore well aware that the matter was an urgent one and apart from the existing Horse Care Units that we had a real problem with Kimberley where there was no Unit at all.

Mr Napier said that now Mr Barends has left NHA, the only reality is that the NHT financial circumstances have worsened. He added that in addition, there was a problem in the Western Cape where there is no proper Horse Care Unit, which he said Mr Truter would be well aware of in view of the fact that he was the Chairman of the local Rehoming Body.

Mr Napier advised that the financial position of the NHT had become so grave that they have had to resort to cutting back on their support for the Units on a temporary basis, as if we do not do this then we will run out of funds and this is obviously not a position that the Trustees can allow to happen. He advised that if the National Horse Trust and the various Units do not get some urgent financial assistance, they will have to cut back on the valuable work that they do. He added that it is clear that there may be a real credibility issue with the general public with the horse racing industry, if the industry stakeholders do not deal with the financial sustainability of the NHT and the Horse Care Units.

The Chairman thanked Mr Napier and said that this was a subject very close to his heart as well. He said it was a question of money and the NHA would need a total buy in from everybody in the industry, as the NHA might be able to guide it, call meetings and put ideas on the table, but unless they received support from the role players in the industry, he had his concerns.

The Chairman said that the NHA would certainly do their best and would definitely discuss this. He added that he would briefly bring Mr Napier up to speed on the past meetings he had held, including a meeting in Cape Town, where this was discussed. The Chairman thanked Mr Napier for bringing this matter to the NHA's attention.

Mr Fortune said he wished to raise one or two things that concerned him about racing at the moment. He said that he has been in racing all his life and that he had met some great people that ran racing. He said it worried him that Jockeys were allowed to drop their hands a furlong out and it is only certain jockeys that do it, and that they get away with it continuously. He said he was not referring to the bad jockeys, he was referring to one or two of the top jockeys.

The Chief Executive responded to Mr Fortune and said that it was something that was high on his list of priorities to attend to. He said that there was a problem, which Mr Fortune would have noted when he read his Press Release. He said that he had also heard the comments and he and Mr Hyde, the Racing Control Executive, were attending to this.

Mr Fortune raised his unhappiness in the current state of racing control. He further highlighted the ride on *MARDI GRAS* in May 2018. He said that he was flabbergasted that people could get away with that in racing. It was the most disgusting ride he had seen in years. He added that the tapes were sent overseas for comment and the reports were also negative and yet nothing was done about it. He said he raised this matter as he was passionate about racing.

The Chief Executive then advised Mr Fortune that he was not aware of the tapes having being sent to international jurisdictions for their reading of the race and he undertook to investigate and revert back to him.

Mr Maree raised the issue of skills development and transformation. He said this should be high on the NHA agenda if we want racing to continue and the majority of the public support.

The Chairman thanked Mr Maree and advised that the NHA were very aware of this and confirmed that it was built into our manifesto. He said that we were looking at this very closely and that it was one of the Chief Executive's priorities.

Mr Costa said he wished to thank the Directors for their tireless contributions that they make towards the development of racing and he wished to reiterate what he had said at the last AGM, namely, "Mr Costa thanked the Directors for their selfless work that they do all year round. He said that they were always victims of criticism and people were slow to laud them for their generous and valuable contributions that they make to the Industry".

The Chairman thanked Mr Costa for his kind words.

The Chairman asked everyone to please join them for a snack and drink after the meeting closed.

There being no further business, the Chairman declared the Meeting closed at 15:30.

K P Truter
Chairman