

CHAIRMAN's REPORT - AGM 2020: S A SENIOR TOUR

Activity period: 01 January-31 December 2019.

01 January-30 June 2020

Management

- Firstly, I would like to welcome all our members, especially our new members and thank you for your membership and support in these trying times. We all need to positively engage with each other and trust that this pandemic will pass soon. The AGM was cancelled in March due to the lockdown and we wish to have it by way of Zoom or some other electronic means or with a limited number of members at a club venue. We will keep you informed and notify all the new AGM date and agenda.

1) Covid-19

- It is common knowledge that all South Africans have been in 'stay at home', work from home lockdown from 26 March 2020 with serious consequences because of the worldwide Covid-19 virus. We have been guided by our government ministry and all golf was halted for the health and safety of golfers and all people. Golf Clubs have since been reopened with professionals allowed to practice.
- In these unprecedented times we needed to comply with the State President's speech requests from time to time. From these requests, articles were placed in the government gazette prohibiting many activities and sending our economy into a spiraling downturn affecting all. Golf Clubs have been affected largely without standard revenue streams. Clubs have also had to upkeep the condition of the playing surfaces at standard costs to safeguard losing their biggest assets. Recovery will be painful, and we hope golf clubs survive.
- All our sponsors have suspended our contracts with them until the golf clubs reopen and tournament play is allowed again. These included the agreements with Fidelity, Plettenberg Bay, and the Nelson Mandela Bay authorities. We remain confident that our sponsors will return, and we will have at least 6 events this year, making up for those lost so far in 2020. This is if we can secure course availability bookings to host the relevant events.

2) Administration

- Our Player's Committee (PC) must be thanked for their efforts of attending meetings and giving constructive suggestions for change, many of which are proposed for resolution by members later in the AGM agenda.
- In the absence of SAST having full time staff to perform the operating function of our business, we thank all the volunteers who have done the work for SAST in the last year.
- At the start of the Fiscal period of governance, 1st March 2019 to 29 February 2020, there were 8 Directors. One director resigned and was also a PC member. In terms of the MOI, four directors are retained by the Board and four directors must resign each year. Those that resign may make themselves available for re-election. Also, the PC must make two members available to the Board for a 2-year period. Therefore, one PC

member must be elected by the members and the PC must submit a candidate to the Board for the year 2020/2021. We re-iterate that the Directors are responsible for the governance of the company including the Tournament Schedule of SAST.

- The Players' Committee finally consisted of 8 members in 2019, whose function was to liaise/engage with the members of SAST for a 2- year period by way of the SAST MOI. They are involved in all aspects of membership application, approval and disciplinary necessities. The PC must engage with members and forward suggestions or propose changes from members to the Board. They are the members' official vehicle to voice any concerns or expectations and should not be bypassed if issues want to be raised.
- The Board faced challenges in 2019 from certain members and these were sorted in writing.
- The Sunshine Tour continues to support our administration and we have repaid R148 000 plus VAT of the loan agreement. We have a further 3 years to repay the rest from tournament sanction fees.
- The members wanted affiliation with the ST and by agreement with them we continue to try and grow our tournament base. The members wanted more tournaments and there was perception that ST/SAST alliance would bring in events straight away and to the dismay of many members this has not happened. It is the intention and strategy of the SAST management to seek events for members in the R100 000-R1m prize fund bracket. It is not cost effective to host or run events below R50 000 prize funds. However, we will run small 18- hole, non- SST- OOM events for interested members, on every second Tuesday morning or afternoon of the month at various clubs until year end. It is envisaged that players will each pay an approximate entry fee of R500 and perhaps the agreed club green fee at each event. The top 30% of scores recorded will be paid money in the established prize fund, without levy payments.
- We would like to thank Pat Lowth, our Tournament Director, for his attendance at the PC meetings over the years and for doing the donkey work to ensure our events ran as effectively as possible. Our TD and operating staff at events are outsourced, whose fees are always budgeted in a confirmed and approved budget.
- Thank you also to our Financial Director for arranging and compiling our accounting records for our Auditor's ratification, as well as seeing to the fiscal requirement and attending our events in a supporting role to the TD.
- Malcolm Sheppard from the same firm of auditors is our 'go to' man. HLB Clown is the company and were very generous in only charging us a small fee last year. Our auditors ensure we keep our VAT commitments and financial governance.

3) Membership.

- We had 102 members listed on our books in 2019. Fifty -three members earned money in our events in 2019. Regular Member Subscriptions for 2020 have been set at R1600, for a base year January to December 2020, due at the end of February 2020. After this time if no arrangements were made with our FD (083 227 0840) or with the responsible PC member in

agreement with the FD, the delinquent member had to re-apply and pay the affiliation fee rate of R4400.

- Membership cards have been produced for issue to 97 players for the 2020 financial year. As of 31 March 2020, there is still about R60 000 of unpaid subscriptions from those members who made arrangements with the FD. Due to COVID-19, the Board have extended payments to be completed by 31 August 2020. After this date, players will be denied entry into tournaments until such time as subscriptions remain unpaid.
- Members can at any time request in writing a copy of the minutes of the Director's and Player's Committees, respectively.
- We again state that anyone can seek sponsorship on behalf of SAST after being briefed by SAST with an agreed commission when the sponsorship is contracted and becomes effective. We state that it is necessary for SAST to co-ordinate all sponsorship dealings to ensure that no duplication of efforts and double commissions takes place.
- Members are requested and encouraged to allow the management to manage the SAST business and adhere to the R&R.

4) Tournaments

- The SA Senior Open 2019 took place in Plettenberg Bay in October and it was a resounding success. This year will be the last event of the 3- year deal we have with the Bitou Municipality and negotiations are under way to sign a further 3- year agreement. The event is scheduled for 27-30 October 2020, Covid-19 decisions dependent.
- Hopefully, the Nelson Mandela Bay Classic, scheduled for 21-23 October 2020 in PE will take place. The contract for sponsorship has been amended and we await confirmation soon. We confirm that the City Treasurer has approved our sponsorship application, but the PE authorities have had their challenges being without a Mayor, internal political indifferences, and the COVID-19 chaos. We continue to try and confirm the tournament
- Sponsorship contracts and SAST partnership agreements remain in the Directors' domain with shared Board decision making, under the responsibility of the COO. (Neville Clarke)
- In 2019 we formulated an investment/sponsorship committee that offered little to our cause because of business commitments and time constraints of the team. However, another 3-man team is now in place to seek sponsorship and there are many prospects on the table.
- In 2019 we had 8 **Order of Merit (OOM) Events**.
- **SA Senior Masters** at Silver Lakes. We thank Jannie Ackerman and Nico van Rensburg for their efforts and sponsorship as well as the connections at Silver Lakes. The Prize Fund was R400 000 and the tournament was played over 3 days and won by Mark McNulty on a good aggregate score of 7 under par 209. The 54-hole, three-day event was in a Pro-Am format with 45 exempt members participating and earning money. The event was run smoothly with Dale Hayes entertaining us again at the opening pro-am prize giving. Nico van Rensburg did the honours at the second pro-am day for the deserving Els for Autism charity cause.

The SA Senior Open held at the Plettenberg Bay Golf Club for the third time. This event was played over 72 holes on four separate days of mixed windy and cloudy conditions. The largest tournament of the year was won

by James Kingston on a score of 282. The leading amateur was Andy Maynard on a score of 311, with only 2 amateurs participating. The prize Fund was R500 000, largely funded by Bitou Municipality. There was no cut after 36 holes, and all the pros made money in a poor field size of 57. There were many extremely late withdrawals.

- **The Simon Hobday Classic** was sponsored through Senior Tour funds and from management fees earned by SAST from previous events. The event took place at the Dainfern facility and was won by James Kingston on an excellent score of 9 under, 207, over 3 rounds. The weather played its part without delays and the course was in superb condition.
- We had 5 other contracted **Fidelity events** presented by **Fidelity** in the form of 2-day pro-am's carrying prize funds of R100 000.
 1. At **Centurion, from 19-20 February**, the winner was Chris Williams on a score of 139 (-5) after a play-off with Kevin Stone.
 2. **At Blue Valley, Midrand from 24-25 April**, the winner was again Chris Williams on a wonderful score of 134(-10).
 3. At **Jackal Creek from 13-14 June**, the winner was Andre Cruse on a score of 141(-3).
 4. **At Eye of Africa from 29-30 August**, the winner was Kevin Stone on 144(level par), given that the greens speed was almost unplayable due to the windy conditions.
 5. **At Copperleaf from 03-04 October, the winner was Kevin Stone on a score of 139(-5).**
 6. **At Irene from 23-24 January 2020, the winner of the Q-School was Mike Quin on a score of 140(-4). Nine other players earned full playing privileges for 2019.**
 7. **At CCJ from 16-17 March 2020, the winner was Kevin Stone** on a brilliant score of 129(-15) after rounds of 68 and 61.
- We would like to thank Fidelity for their continued sponsorship and support for SAST in 2019 and for their further commitment in 2020 to host 4 x R100k events with increased investment of R500 000. **Due to the COVID-19 limitations, Fidelity and the Senior Tour agree to suspend scheduled events for 2020 until further guidelines from Government and SADOC are released covering golf tournaments.**
- The winner of the Order of Merit was James Kingston with earnings of R164 000. Also noted was that 4 players earned an annual total of more than R100k for the events on offer. There is a management decision in place that a member must play in a minimum of 3 x OOM events to qualify for the 2019-OOM. Please see the ranking and exemption lists on the website as well as the OOM-2019.
- We had nice TV and press coverage for the SA Senior Masters and SA Senior Open, giving us good exposure to the public eye. More must be done this year to promote our Tour and give sponsors more benefits.
- We need to have a field size of 108 in these Fidelity type events to break even financially.
- **The CCJ event this year** offered a professional prize fund of R100 000 paid to the top 25 professionals. We had an entry of 68 teams, a record field size for our Fidelity pro-ams. There was a pre-Q to determine the eligibility of players to participate in the professional prize fund. Also, there was a cut after 18 holes for the 25 top scores and ties as well as those within 4

shots of the 25th place. It worked out well. **Kevin Stone** won the tournament with a score of 129(-15) that included a second round 61.

The record 36- hole score of 126 belongs to Bobby Lincoln that included a second-round score of 60, also matched by Neil Cheetham in other tournaments.

- The format for these Pro-Am's are 2 professionals and 2 amateurs per 4-ball in a Better Ball Stroke play format on day 1 (1 pro + 1 amateur). The senior professionals play in groups of 3 on day 2.
- It is imperative that you as members support the Pro-Am's by entering and also by inviting amateurs. Otherwise, it may be necessary to make it a pre-condition of entry for these events that a professional can only enter with an amateur.
- Entries for our SAST Pro-am sanctioned events will close 14 days before the start date if they are OOM events. Cash, card and EFT entry payments will have to be banked by our members 7 days before the start date of the event. **Speed-point and cash payments can be made on the day of the Pro-Am by amateurs only. Professionals may not pay on the date of the event for administrative reasons.**
- Again in 2019 we also had to deal with no-shows and extremely late withdrawals. If you withdraw from any SAST event after the closing date of entry and within 7 days of the start of the event, you will be liable for your entry fee. It will not be refunded under any circumstance. Our tournament terms and conditions, additional local rules and the standard SAST local rule card are available at all events. Please ensure you make yourselves familiar with these important documents from the website. Disciplinary action may be necessary for no-shows and no-returns of score cards.
- The revised **2020 tournament schedule** will be released as soon as confirmation and agreements with golf clubs and sponsors are re-instated.

5) Contracts

- The Board of Directors decided that the responsibility for the seeking of sponsorship should remain with the Directors and not with the Players' Committee. The BOD has appointed **Accelerate Sport** to seek sponsorship for SAST on a non-all exclusive basis, within a time frame, with the PGA Senior Championship as a flagship event. This is part of their EWT Senior Golf Series. We are still willing to partner with other promotional companies and individual promoters without conflict with existing investors and partners.
- In the SAST agreement with the **Sunshine Tour**, SAST also has an agreement with **Flooid**, who will assist SAST in securing investments in 2020 and beyond. This agreement with ST/Flooid has enabled SAST to have a new identity brand as the Sunshine Senior Tour with an office in Midrand.
- It is the view of the Board that the expectations of members are too high by requesting quality events and high prize funds in these tough economic times that have continued since 2008.
- SAST has renewed its partnership agreement with the **PGA of SA** for the sanctioning of a senior professional event in SA at an 8% of prize fund fee. We will be trying our best to sanction this tournament in Gauteng in March 2021 at a venue to be advised and when sponsorship is confirmed.

- To conclude, the future still looks good for SAST. Perhaps, the proposed events will be confirmed with potential sponsors. This can be discussed under 'General'.
- The Senior Tour negotiated with PGT and signed an agreement in 2019. Many of our members participated and two non-members won playing privileges and membership to SAST from 1 September - 31 December 2019 via performance and agreement. These were for events having a prize fund offering of less than R50 000. A larger co-sanctioned tournament prize fund was negotiated with PGT without success.
- Other contractors may also approach SAST to host events for our members but must stay within the SAST R&R and management written approval. Sanction fees are payable to SAST for the use of our members.
- It is desired that we secure an umbrella sponsor and then employ a Tour Commissioner and other permanent staff. Accelerate are busy with this.
- It is envisaged that we hold the SA Senior Masters before the Staysure Tour Mauritius event in December this year. Hopefully it will be an event for a large prize fund exceeding the existing R400 000.
- We gave Webdynamix the order to do our Website and it has been up and running now for almost 4 years. It needs review and we have budgeted to do more on the site in 2020 with the Sunshine Tour to improve our communication with our members. In place already is a link from the ST to our website.

6. Finance

- The financial governance is assured by the auditors, HLB Clown and our FD, Fiona Burger. The managed accounts speak for themselves in accordance with best financial practices. We are a non-profit organization and surplus funds are ploughed back into tournament prize funds.

Conclusion

- Finally, thank you for your membership and it has been a challenge to meet requirements for a successful 'Tour'. Questions may be asked under general at the AGM.