



SUMMARY OF THE 128TH ANNUAL GENERAL MEETING

WEDNESDAY, 18 SEPTEMBER 2019 AT 18h00, ST. GEORGES



The 128th Annual General Meeting of the Royal Johannesburg & Kensington Golf Club was held on Wednesday 18th of September 2019. It was reasonably well attended by 50 members whom we thank for taking the time. Each member present received the annual Royal Review (2018/19) and the normal AGM formalities were proposed, seconded and approved to open the meeting.



THE ROYAL REVIEW
2018/19 Edition

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Royal Review 2018/19 1



The notice convening the meeting was read and the members were welcomed accordingly. A warm welcome was extended to Wilton van der Walt, the auditor in attendance from HLB.

The Chairman asked for a moment's silence, as we paid our respects to those members who had passed away during the year:

Mr Andrew Blair, Mr Christo Malamas, Mr Gunter Vogel and Mr Robin Corbet.

No Honorary memberships were awarded for the past year.

Life membership awards were presented by the C.E.O and Chairman to Mr Terry Eyles, Mr Craig Rivett, Mr Gordon Odgers and Mr John Turner. Mr Richard Clowes and Mr Graeme King sent their apologies as they were unable to attend. All six gentlemen were congratulated on this remarkable achievement and thanked for their 50 years of service to the Club.





The CEO presented a summary of his Sixth Annual Report

Membership has been retained in a tough financial climate – interesting to note that in 2016 the total membership of the Club was 1 550 and the total membership at the Club in 2019 was also 1 550.

The Club is very proud of the launch of the Travel and Activity department, which is the first of its' kind in any Golf Club in the country. The department is partnered with Tourvest, the largest tour operator in the country. Already, this department has delivered far beyond our initial expectations and has added significant value to the members subscription.

Highlights over the past year include:

The Club retained its 5 star health and safety rating for the second consecutive year.

The rates and taxes were rectified after an 8 year battle.

The electricity account had been credited after a 5 year battle.

The successful implementation of the new software system.

The successful launch of a new website

The completion of the Golf Environ certification

The highest members satisfaction results to date

1st Scratch League & Senior Better ball champions (CGGU)

Recipient of Africa's best course (East Course) – World Golf Awards 2018

Recipient of South Africa's best course (East Course) – World Golf Awards 2018

Voted in the top 100 clubs in the world by Golf Scape – #25

Voted the best course in South Africa (East) by Luxury Travel Guide

Making the final stages of the 2023 Presidents Cup bid and although the PGA had acknowledged that Royal met the criteria, we were denied being awarded the tournament because of the uncertainty of the country's economic climate.

Royal will be included as a bidder again for the 2027 Presidents Cup

The Club will be hosting the SA Amateur Men's and Ladies Amateur Championships for three years, commencing 2020. This will mark the first time in the events history, dating back to 1892 that both the men's and women's SA Amateur Championships will be played at the same time at the same venue.

The Club's auditors continue to show satisfaction with our practices, governance and standard operating procedures throughout all of our operational areas.

It is important to remember that part of our long-term plan was for the operating losses be subsidised, and members to be advised of the necessity, to better balance the utilisation of the club and the requirements necessary to upgrade its offering. It is therefore encouraging to report that operating losses have been decreased year on year over the past five years, with capital replacements being kept up to date.



Throughout the year your board and management have fully complied in terms of the requirements of the constitution, human resources, health and safety, first aid and the liquor trading laws. Good governance along with all our other legal requirements and policies, remain fully compliant and above the required standards.

Staff turnover has also remained low, with the senior management team unchanged for the past five years. The various teams remain committed to providing attention to detail, improved service and a hospitality experience that is enjoyed by every member and guest.

Management fully appreciate the expectations of our members and we constantly fine-tune without compromise in order to deliver a best of breed service and keeping with the club's traditions of excellence as a market leader.

While the improvements and awards continue to enhance our brand, collectively we need to keep encouraging more rounds of golf, signing up new members and promoting a positive, friendly atmosphere at the club. This cannot be done by the Board and management in isolation and requires a collective effort if we wish to keep improving the club and its offering.

We cannot escape the economic and political environment in which we operate. It is envisaged that local conditions and the golf industry will remain challenging at least in the near term, but despite these conditions, we shall continue to focus on developing our annuity income, delivering the vision and we remain optimistic.

This endeavour will continue to be the major focus for the Club going forward in terms of its goals of creating long-term sustainability and a membership offering that continues to develop and improve.

This story of the effort involved and the achievements is but a summary, and while impossible to name everyone who has contributed time or money, loyalty and co operation to pursue the goal of enhancing the prestige of our wonderful club.

The CEO's report this year did not only pay tribute to those who have delivered the recent achievements of the Club, but also acknowledged all those who have come before. It is this collective effort, both in the present day and over the years that has so effectively helped to establish the great camaraderie, good sportsmanship and sense of family that has become the hallmark of Royal Johannesburg & Kensington Golf Club.

On behalf of the management team, the CEO thanked each and every member for their continued loyalty and unwavering support. None of this would be possible without the incredible team of staff and service providers who work tirelessly to meet and deliver the very best on a daily basis. The management team were all thanked for their hard work. The Chairman, Board members and the CFC were thanked for their guidance, strategy and overall good governance of the Club.



The Treasurers Report

Copies of the annual financial statements for the year ended 30 June 2019 were made available to members attending the meeting. Further to the published report:

The Treasurer discussed in detail the tables that had been included in the Royal Review and noted losses decreasing year on year.

June 2015/16 – (1.6m)

June 2016/17 – (1.2m)

June 2017/18 – (900k)

June 2018/19 – (600k)

The Treasurer congratulated the C.E.O and finance team on these fine results, under very trying circumstances, this with Capital replacement up to date.

The pie charts found in the Royal Review were presented, the operational income and the operational expenses for the past year, which showed an excellent balance. Additionally, a detailed view of the competition income and expenditure was presented to the membership for transparency.

Given the analysis, it can safely be said that the Club is in good standing and remains on track to delivering the long-term vision.

The Capital Fund

Delivered by Greg Sansom in the absence of Mr. John Hare.

A detailed review of the Capital fund structure and performance was presented to all members in attendance.

The capital fund investments used to into stock and shares which attracted capital gains tax. With the new Liberty portfolio were mandated to protect the capital fund and service interest to do the course renovations and eliminate CGT in the future.

After two years, the investment is doing very well. In 2017, Royal sold off equities and invested R 27.1m and took this money and placed it in Liberty equities. Monies are used accordingly to pay back Standard Bank loan and after servicing the facility (end of July 2019) the CFC balance sits at R29.4m and it has outperformed what it was meant to do. The Investment continues to grow, and the tax bill is zero. We are comfortable that the strategy remains on track despite the volatile market.

The Project Team Leader

Mr. Gordon Odgers started with a marketing video from our property developers.



A summary of the background as to how we have got to the end of year 3 of the 5 year plan and why this plan was approved by the members in 2016.

Members were reminded that this is a 'done deal' and there is no going back, furthermore if there was a way to go back there is no other or better plan suggested. The future of golf is about family and fitness and our long term plan meets all our objectives.

Sandringham property has been rezoned. The Developers are starting with services, fencing and tree felling will commence shortly – 6th East (250 units).

The Sydenham property will be ready to go as a retirement village and is a joint venture between the developers and the Oppenheimer Family Trust – 12th West. (110 Units).

The Linksfield property (6th West) has come across a few problems and delays, primarily in flood line issues and an unknown lease that was discovered, these will however be overcome by the developers.

The Club has received the R10m deposit from the developers.

They will spend approx. R20m on roads etc shortly.

The partnership is very good and there will be a member pre-launch before Christmas.

The West Course renovation will start in July 2020 and the course will be closed for 6 months as the East Course was and will be re-opened in January 2021. This is in conjunction with the family centre and kids club. The new short par 4 6th hole on the West Course, will be funded by the developers. The club's current boardroom will be converted shortly into the developers sales office and it is envisaged for the new halfway house construction will start as soon as possible. This needed to be established before moving over to the construction of the family centre and gym. Another detailed update with imagery will be shared with the members within the next month.

The long term sustainability and vision for our club remains on track.



The Chairman's Report

Another very successful year and all the awards were not limited to the Club. Two staff members had recently received awards from the PGA of South Africa. Greg Jacobs our Head Professional was named the Gauteng region's PGA Club Professional of the Year and our CEO, Chris Bentley was named Gauteng Regions and National PGA Club Manager of the Year. Royal Member and PGA employee, Andrew Gunn was named PGA Professional of the year.

These awards are extremely well deserved and further confirms that we have the very best in management driving the operational delivery of our club.

The whole success of our Club is through team work and leading this team is our C.E.O, Chris Bentley. Our two superb golf courses are nurtured and maintained by Shaun Brits and his team and there commitment to delivering beyond our expectations is outstanding.

The Chairman thanked the rest of the management team for everything they do for our membership.

Chris Bobbert had resigned from the Board and was thanked for his service.

The Chairman also thanked the 8 Life/Honorary members who made voluntary subscription donations to the club.

Board 2019/20

*No nominations had been received
and so, the Board for the ensuing will be:*

Alan Field – Chairman
Marian Ledingham – Vice Chairlady
Christopher Bentley – C.E.O
Francois Schindehutte – Treasurer
Marc Kourie – Club Captain
Wendy Huddy – Lady Captain
Rohan Sheppard – Board Member





Capital Fund 2019/20

No nominations for the Capital Fund Committee had been received and so the Capital Fund Committee for the ensuing year will be:

John Hare – Committee Chairman
Rob Nisbet
John Rowan
Graham Twaddle
Greg Sansom – Liberty Fund Manager (Advisor)



After a few member questions and explanations, the membership expressed unanimous support of the proposed resolution, The Board were authorised to proceed on the Special Resolution by a show of hands, confirmed by the Club's Auditor present.

SPECIAL RESOLUTION NO. 1 – ANNEXURE A

To approve the refund of operating losses for the 2018/2019 year (R609k)

Another very successful AGM. The meeting closed at 19h06.

(The draft minutes of the meeting will be available on the Clubs website shortly).

Hardcopies of the 2018/19 Royal Review presented on the night are also available for all members from reception. Should you have any additional questions regarding the meeting please don't hesitate to contact us.

We look forward to another successful year at our wonderful Club.
