



# CLOVELLY COUNTRY CLUB

## MINUTES OF THE 88<sup>th</sup> ANNUAL GENERAL MEETING OF CLOVELLY COUNTRY CLUB HELD AT CLOVELLY ON SATURDAY 22<sup>nd</sup> FEBRUARY 2020 AT 19:00

**PRESENT:** R. Ackerman – President, S. Thomas - Chairman, W. Good – Treasurer, J. Ackerman - Vice Chairman, I. McPherson – Captain, G. Daly – Vice-Captain, R. Goveia – Governing Body Member, D. Thompson – Committee Member, Rob Pilkington – Committee Member, J Spyker – Clubhouse Manager, P. Stoner – General Manager, H. Bothma – Golf Manager, S. Webber – Course Manager together with 32 members.

### 1. NOTICE CONVENING THE MEETING Oj1pT65&

The General Manager welcomed the President, Chairman, Committee Members, Members and RAGA students to the 88<sup>th</sup> AGM of Clovelly Country Club. Proper notice being given and a quorum being present he declared the meeting open.

### 2. OBITUARIES

The General Manager announced, with much regret, that the following members had passed away within the last year:

Paul Voss	January
Keith Featonby	June
Joan Walker	June
Madelaine Rast	August
Neil van Tonder	August
Roger Booysen	September
Paulette Coppez	October
Louis Goosen	December
Arno Mayer	January
Nigel Read	January

The attendees stood for a minute of silence.

### 3. APOLOGIES

Received from: 20 members.

### 4. CONFIRMATION OF MINUTES

The minutes of the Annual General Meeting held on 23<sup>rd</sup> February 2019 were taken as read and accepted as a true record of the meeting.

Proposed by: Mr. G. Daly

Seconded by: Mr. D. Johansen

## 5. PRESIDENT'S WELCOME

Mr. R. Ackerman welcomed everyone present and thanked them for coming. He announced proudly that RAGA had 19 students pass their Matric the past year, and 5 students had been accepted into university. He wished this year's students the best of luck, and thanked Annette Champion, Shaddie Valayadum, Roxy Holman and Carel Coetzee for their commitment to the students. He reminded the students that golf was secondary to education, although he added that he hopes they will be able to beat him at a round of golf before long. Mr. R. Ackerman stated how proud of RAGA he is, and all that it stands for.

Mr. R. Ackerman welcomed the Chairman, Stephen Thomas, thanking him and commending him on his leadership and excellent chairmanship through tough times. He thanked the Captain, Ian McPherson, and his Committee too. He wished the incoming Chairman and Committee success. Mr. Ackerman also thanked the Treasurer, Wizz Good, and Financial Manager, Amor van Zyl, for financial reports well done. He praised Paul Stoner, John Spyker, Hanco Bothma and the Clovelly staff for maintaining such high standards and for creating such a terrific atmosphere. He ended his thanks acknowledging Steven Webber and his team, adding that everywhere he goes he receives feedback on the brilliant quality of the golf course and the welcoming environment.

Mr. R. Ackerman told the members present that he was about 2 or 3 years old when Clovelly was founded and he remembers coming with his father to those first few AGMs. Of course, he would have to stand outside the doors and looking in, he would wonder why everyone was so quiet as they listened to his father. He has attended many AGMs over the years, watching the Club grow, and he is so thrilled that his son, Jonathan Ackerman, is becoming Clovelly's next Chairman.

He added that in 1976 he had gone to visit the President at the time, Mr. John Vorster, to ask permission to open the Club to all races. Mr. Vorster has replied no, due to apartheid, but upon further negotiating he agreed that if 80-90% of the next Clovelly AGM agree, Clovelly could go ahead. He had thought of the figure off the top of his head. A long story short, Clovelly Country Club became the first sports club to open its doors to all races and we have a history that we can be proud of.

## 6. CHAIRMAN'S REPORT

Before reading his report, Mr. S. Thomas reminded the members present of the Walk of Appreciation held for Mr. R. Ackerman in December of 2018. He presented Mr. R. Ackerman with framed pictures of the day and thanked him for everything he does for Clovelly.

*Whilst at the outset 2019 has been a difficult year I am proud of how Clovelly manages itself and continues to strive to improve.*

*Most notable this year we changed our management structures with the introduction of Paul Stoner as General Manager, Hanco Bothma as Golf Manager, Sebastian Brown as F&B Manager, with John Spyker remaining with us in a reduced capacity. In addition, Wizz Good will remain on in an advisory capacity until Paul finishes his Certified Club Manager's certification through CMASA.*

*We have embarked on a road to maximize our staff utilization and not renew appointments where possible. It is with sadness and huge gratitude that we bid farewell to June Featonby; her 41 years of service are unheard of and we wish her exciting times and adventures ahead and of course, we still hope to see her around Clovelly.*

*Although 2019 saw the dissipation of Day Zero, its reputation has lingered on in the tourism industry, only to be followed by load shedding. Having provided alternative water sources we will now have to look at being able to generate power to ensure we provide a service that is still uniquely 'Clovelly' and amongst the best. In addition, ensuring our irrigation systems are able to operate also remains of utmost importance.*

*Our membership remains healthy although we have seen a slight decline with the new year. Our average age of membership at 57 may be better than some clubs but still remains a concern. The efforts that*

*MichellGolf and David Matthews are putting it to promote juniors can only assist in our long term membership and success.*

*Our rounds on previous years are down marginally to 50 259. Of concern is the reduction of premium visitor rounds by some 1 770 rounds and obviously, this affects our budgets and income stream dramatically. In the course of the year past, we have embarked on additional marketing and retained the services of Karen Denman in a PR/Events consultancy capacity to continue to ensure that we do our best to attract visitors and not sit back idly. In light of this, the negative impact on tourism that SAA's demise may have and the looming implementation of zero level alcohol limits on our bar will pose challenges in the year ahead.*

*Unfortunately, we still reflected a loss of 1.4 million which in the main is due to a loss on investments. Our Treasurer will provide further detail on this and I am happy to report that we have still been able to make provisions for equipment and irrigation as we do annually.*

*On the course, we embarked on replacing the wooden hole markers with stone ones. I hope you all agree that a more natural look has been achieved with the new fairway markers that give a better look and feel to our golf course. They also reduce maintenance requirements.*

*In our offseason, certain bunkers were also reshaped and given a little TLC to improve course conditioning and reduce the requirements and costs of maintaining them.*

*The 4th dam was dredged as is bi-annually required. The gabions will be reseeded and fixed at the 4th. We also redid the first tee box in terms of our complete look and to improve the ease of use of carts around this area.*

*My thanks to Steven Webber and his team; it has been a pleasure being involved with him and the number of tasks he tackles at times is staggering. I would like to again thank all the staff for all they do, it has been an absolute pleasure working with all of you.*

*RAGA continues to operate out of our clubhouse and it is truly phenomenal what this vehicle achieves in changing lives. We are lucky to be part of this in a small way and I wish the students all the best as they grow and join our community. Thank you to Annette, Shaddie, Oom Carel and Roxy for all they do in this respect.*

*Clovelly Country Club remains actively involved with the suburb, assisting with security and water issues and now we can add peacock management to our list of involvement. Most of you know that this situation is under control and if nothing else, I have a welcoming committee of peacocks on Saturdays.*

*Day Zero diminished, there is still water sensitivity and hence the plans for the redesign of the 11th have been placed on hold. Unfortunately, the 18th and 9th holes are also holes for concern with slipping greens. These will need re-doing at some stage - finances permitting.*

*On a positive side, we look to continue to maximize our income from alternative sources; functions from the Range and the newly opened Car Wash are areas which we will continue to improve on and maximize.*

*In particular, I would like to thank Jacky White and Ian McPherson for running their committees and sections so well. Thank you to the staff and particularly to you, the members, that make Clovelly and playing golf here simply the most special place.*

*Lastly, I would like to thank my Governing Body whose job it is to have oversight of this wonderful organization. I am sure that with Paul Stoner at the helm and Jonathan Ackerman as Chairman, Clovelly is set for a new and exciting era and I wish them all the best.*

## **7. ADOPTION OF THE CHAIRMAN'S REPORT**

Proposed by: Mr. D. van Eyk      Seconded by: Mr. R. Pilkington

## 8. TREASURER'S REPORT

### *Introduction*

*It gives me pleasure to present my report for 2019. As we are all aware, income at Clovelly is predominantly driven by the number of rounds we achieve. At last year's AGM I cautioned that we could expect a drop in rounds. From a high of 56 000 rounds in 2017, the number of rounds in 2019 dropped as low as 52 600. Visitors rounds were down by 1 300 from 2018. This was caused by the drought in Cape Town that was so well advertised that golf tourists stayed away for another year after the end of the drought.*

### *Income*

*2019 income of R23 million was flat on 2018 and R1 million behind budget. The biggest drop was seen in Visitors green fees that were R700 000 lower than last year, without even adjusting for inflation. This was a direct result of lower visitor rounds during peak season.*

### *Expenditure*

*Against total budgeted expenditure of R22.5 million, actual expenditure was R22.6 million, excluding investment impairments. This was R600 000 higher than last year, an increase of 2.7%. Golf course expenses increased by R1.3 million over last year. Major components of the increase were;*

- *Irrigation R300 000*
- *Repairs R100 000*
- *Staff costs R900 000 (includes a reallocation of staff)*
- *Junior development R100 000*

*Savings were made in the Clubhouse where all projects work was curtailed to reduce costs.*

### *Profit centres*

*The bar profit dropped from R300 000 last year to R270 000 in 2019 as a result of flat turnover and higher costs.*

*Drive cart revenue of R1 700 000 was R100 000 lower than last year. Costs were R100 000 higher than last year, shrinking profits by R200 000.*

*Range income of R300 000 compared with expenses of R500 000. This shows the drive of the club to generate more income from this asset.*

### *Profit*

*In 2018 the club broke even after a year of significant clubhouse projects. This year we were budgeting for a slight profit. In fact, a loss of R1 342 000 before tax was reported. This was a shock after the cost cutting measures implemented by management. If one looks more closely at the loss by comparing results with 2018, the following emerges*

*As can be seen from the slide 1, an operating loss of almost R1 million took place in 2019. Expenses rose by R485 000, not particularly high in light of inflation. However, the biggest reason for the operating loss was the decline in Visitor golf revenue and the associated cart revenue.*

*On a more positive note, in prior years I have identified that the club provides for annual capital expenditure and transfers the funds to the club 32 day notice account. Slide 2 sets out the balances on the various capital provisions and the movements during the current financial year.*

It is pleasing to show that these reserves increased by just over R1 million in the current financial year, an amount greater than the operating loss. This indicates that the operating loss was unrealised in that it was caused through building up capital reserves to meet future expenditure.

### **Balance Sheet**

The Investment account under the control of the Trustees reflects a balance of R9 million, a decrease of R1.4 million from 2018. The market value of these investments stood at R9.8 million at yearend. Our accounting policy is to state investments at cost, less any impairment in value. This means we record any losses but not any unrealised gains.

The 32-day notice account stood at R4.2 million and cash balance were just under R3 million at yearend.

### **Future prospects**

Given the dramatic decline in visitor rounds in 2019, we were expecting a slight recovery in 2020. At this early stage, no recovery is evident. This has forced management to reduce expenditure wherever possible. However, given the provisions for needed future expenditure on golf machinery, irrigation and golf carts, it is likely that a further loss will be experienced in 2020.

Management are actively marketing Clovelly to visitors and investigating alternative revenue streams whilst looking to reduce expenditure wherever possible.

#### *Slide 1*

#### **Explanation of loss incurred in 2019**

Loss before tax reported in AFS	(1 342 000)
Investment impairments	1 750 000
Less: Investment income	(1 407 000)
Operating loss for 2019	(999 000)
Change from 2018 financial year	
Reduction in visitor income	(700 000)
Increase in member income	250 000
Income shortfall	(450 000)
Increase in golf expenses	(1 402 000)
Decrease in clubhouse expenses	917 000
Increase in expenses	(485 000)

#### *Slide 2*

#### **Balances on capital provisions**

	<b>Balance 30/9/2019</b>	<b>Increase in 2019</b>
Drive carts	565 000	300 000
Fleet	647 000	580 000
Irrigation	189 000	189 000
<b>Total</b>	<b>1 401 000</b>	<b>1 069 000</b>

The Treasurer asked if there any questions pertaining to his report?

- 8.1 Mr. D. van Eyk noted that Annexure G showed general expenses that have doubled compared to last year. He also noted that Golf Development was up drastically and he wanted to know if Clovelly would get any money back from Rand a Round. Mr. W. Good answered that we would be getting funds from WPGU, but only a portion of what we had spent. He added that incurred a cost of R 40 000 on the car wash, and would

only make up the income in this financial year. Lastly, the catering for Walk of Appreciation had been a large and unbudgeted for expense.

8.2 Mr. V. Christian commented that the investment account has not performed as it should have and suggested that work be done to ensure that we raise enough funds to cover our loans. Mr. W. Good agreed that we have to become more resilient.

8.3 Mr. A. Simpson asked if the investment account's loss of R 1.4 million was recoverable and if the losses have stabilised. Mr. W. Good clarified that the loss was actually R 1.7 million, but was offset by income made on the investment of R 1.4 million. He added that the market was not favourable and the sectors that we invested in, which we thought were safe, had underperformed terribly.

Mr. A. Simpson also asked if the reduction in overseas income was due to Day Zero, load-shedding or a reduction in golf in general. Mr. W. Good responded that he thought it was a combination of all those, as well as higher rates of crime and unstable politics. He added that from the middle of February, Clovelly was experiencing a rise in rounds and income, so we're keeping our fingers crossed.

8.4 Mr. G. Daly complimented Mr. W. Good and the members gave a vote of thanks to the Chair.

## **9. TO ADOPT THE AUDITED STATEMENT OF INCOME & EXPENDITURE & BALANCE SHEET FOR THE 12 MONTH PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2019.**

Proposed by: Mr. V. Christian    Seconded by: Mr. D. van Eyk

## **10. TO CONSIDER PROPOSALS AND RESOLUTIONS, NOTICE OF WHICH MUST HAVE BEEN BE HANDED TO THE GENERAL MANAGER NO LATER THAN FRIDAY, 7<sup>th</sup> FEBRUARY 2020 AND HAVE BEEN DULY PLACED ON THE CLUB'S NOTICE BOARD.**

We received no notices.

## **11. TO ELECT THE AUDITOR AND FIX AN AUDIT FEE.**

The Governing Body has proposed and accepted Bloch Eisenstein as our auditors. Mr. David Eisenstein accepted this proposal.

Mr. D. Eisenstein accepted.

Proposed by: Mr. C. Goldsbury    Seconded by: Mr. D. van Eyk

Mr. P. Stoner advised the attendees that the proposed audit fee would be discussed by the Executive Committee at the next Governing Body Meeting.

## **12. IS TO ELECT AND INTRODUCE OUR INCOMING OFFICE BEARERS.**

Mr. P. Stoner introduced the elected office bearers:

Chairman:	Jonathan Ackerman
Vice-Chairman:	Richard Goveia
Treasurer:	Wizz Good
Governing Body Member:	Rob Pilkington

Mr. P. Stoner thanked the outgoing Chairman, Mr. S. Thomas, for his commitment and passion for Clovelly, and the members present gave a hearty round of applause.

### **13. IS TO RATIFY HONARARY LIFE MEMBERS PROPOSED AND ACCEPTED BY THE GOVERNING BODY.**

Mr. P. Stoner introduce the below names, proposed for Honorary Life Membership by the Governing Body and ratified by the Vice President's Council:

June Featonby  
Stephen Thomas

The members present approved of the proposal and gave Mrs. J. Featonby and Mr. S. Thomas a standing ovation.

### **14. IS TO TRANSACT ANY OTHER BUSINESS UNDER 'GENERAL'.**

14.1 To accept the proposed amendments to the Constitution:

(To amend the title of 'Golf Director' to 'Golf Manager')  
(To relax the dress code of Clovelly)

These proposals were approved of and no questions were asked.

14.2 Mr. T. Allen, a member of the Swallow group, the SWAGS (Swallows with Arthritis Golf Society), thanked the Clovelly Team and Mr. Ackerman on behalf of the Swallows for the warm welcomes that they receive every year. He commented that they all feel as if they are part of the Clovelly family and that Clovelly is a 'little gem', in great condition and well-run.

14.3 Mrs. A. Champion, on behalf of RAGA and the RAGA staff members, thanked the Clovelly staff and members for their interest in and support of RAGA. She also felt as if they were part of a family and were lucky to be here.

14.4 Mr. B. Michell stated that Clovelly Country Club is the greatest golf club, with the greatest members. Behind all of this is Mr. R. Ackerman, who he thanked for 'making Clovelly'.

There were no other questions and the **meeting closed at 19:37.**