

JANUARY
2022

LEADING
TRANSFORMATION
IN THE HORSERACING
INDUSTRY



GOLD CIRCLE
HORSERACING AND BETTING

RANKED
NO.1 BEST MANAGED COMPANY
IN THE GAMING & LEISURE
SECTOR

Level 2 B-BBEE recognition level

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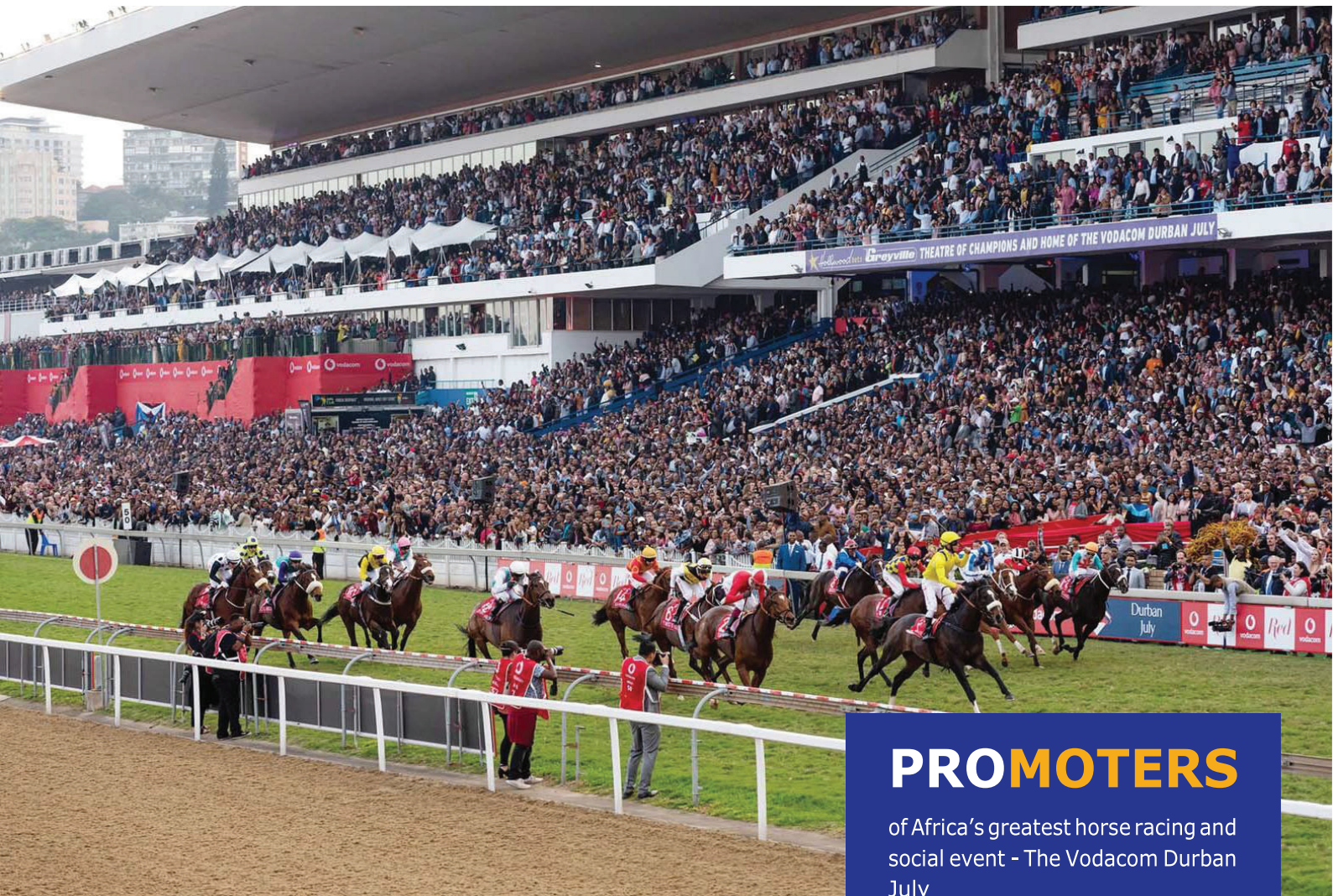
OUR BUSINESS

To promote the Thoroughbred Race Horse through operating the Sport of Horseracing, Wagering and Gaming facilities, Related Leisure Activities and Media Management.

OUR VISION

To be one of the most admired Racing Centres on the International Horseracing Circuit.

TRANSFORMATION & SOCIO ECONOMIC IMPACT OF THE HORSE RACING INDUSTRY ON ITS STAKEHOLDERS



PROMOTERS

of Africa's greatest horse racing and social event - The Vodacom Durban July

INTRODUCTION

The horse racing industry has historically been perceived as "white" and "elitist." The ownership of race horses has traditionally been seen as a symbol of wealth and/or position which resulted in the sport becoming known as the "Sport of Kings".

Many believe that the status quo remains and that Gold Circle has not transformed. The report that follows provides insight into Gold Circle's transformation strategy that has been implemented, the goals that have been achieved to date and the strategic plans for the future.

OVERVIEW

Horse racing is a passionate business in a very complex and unique industry which does not resemble other industries. It is diverse comprising several interrelated activities and its supply chain comprises many inputs and outputs.

This multi-faceted industry drives both direct and indirect economic activity and has a far reaching socio-economic benefit for many stakeholders including owners, breeders, regulators, racing and betting operators and service providers. The industry is labour intensive as these stakeholders and activities lead to the employment of thousands more people including, trainers, jockeys, grooms, veterinary services, feed suppliers, bedding suppliers, farriers, educational establishments, transport providers, insurance providers and many more.

The relationships that exist in this multi-faceted industry are depicted in the figure below:

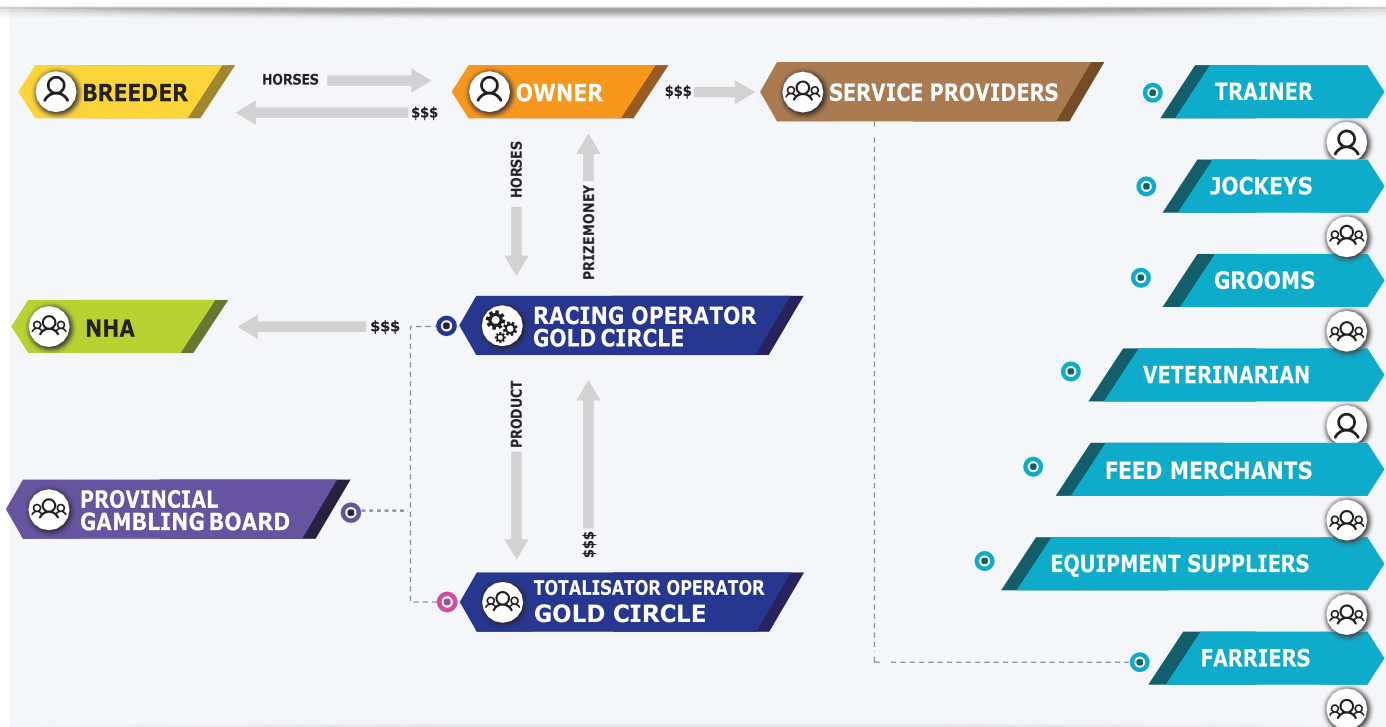


Figure 1 - The Structure of the Horse Racing Industry in SA

As illustrated in the diagram above, the various stakeholders of racing are inter-related. Accordingly, factors impacting one stakeholder ultimately impacts the entire cycle. Revenues from betting are transferred back into racing making the horse racing industry predominantly self-funding. A decrease in betting revenue can lead to an overall reduction in investment in the form of prize money, yearling sales and stallion fees. This can further lead to a reduction in foal production and levels of training activities which in turn can lead to lower quality races and therefore reduced betting turnover.

Growth in revenues generated from betting over the last 2 decades, has been inhibited by internal and external factors, and hence unable to sustain the high costs of funding racing.

The impact of declining betting revenues is further illustrated in the diagram below:

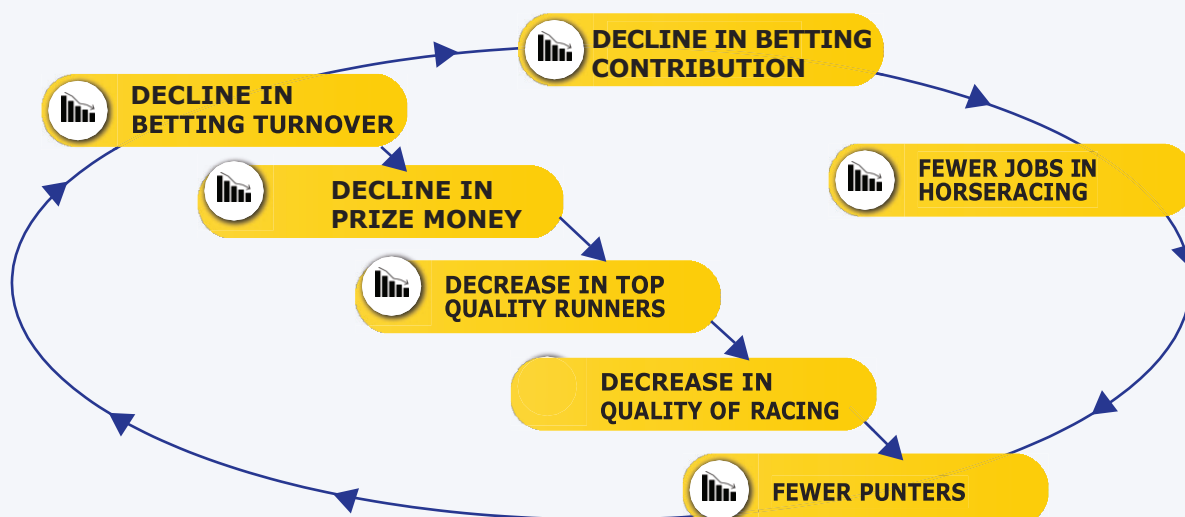


Figure 2 - The Destabilisation of the Horse Racing Industry in SA

Betting on horse racing, prior to 1996, was the only form of legal gambling in SA. The political landscape changed since the onset of democracy in 1994.

The proliferation of other forms of gambling has been the major contributor to the decline in betting on horse racing and this together with changes in

legislation and the regulatory framework has had a profound impact on the horse racing business.

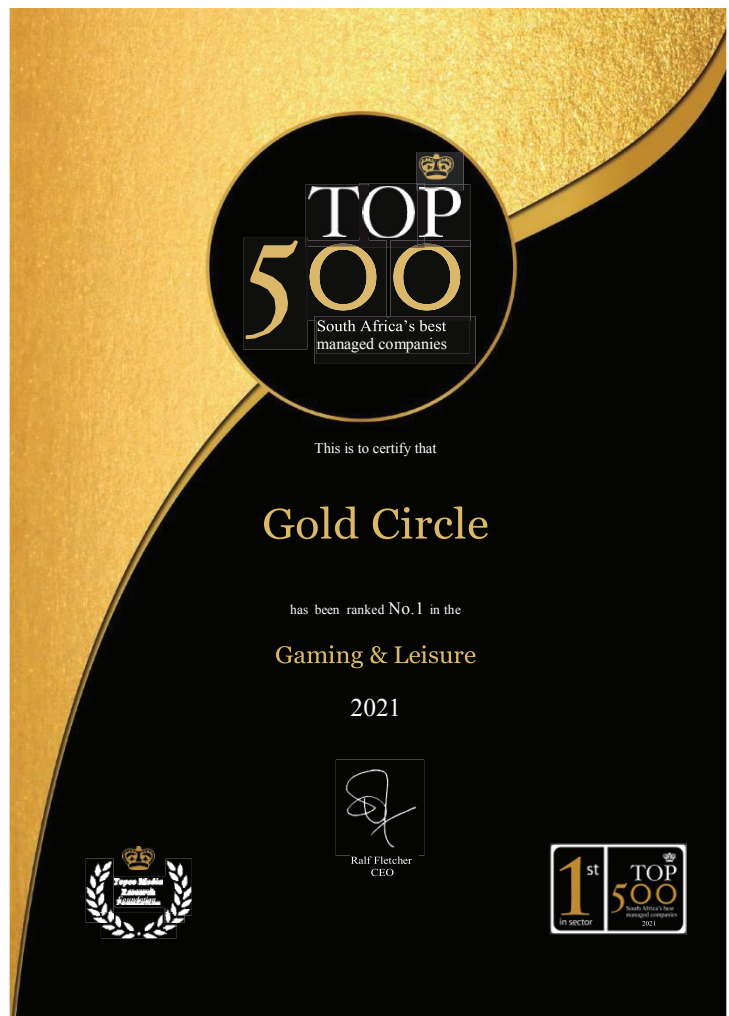
Gold Circle has had to re-invent itself and find new and innovative ways of overcoming these challenges in order to remain in business.

ACHIEVEMENTS

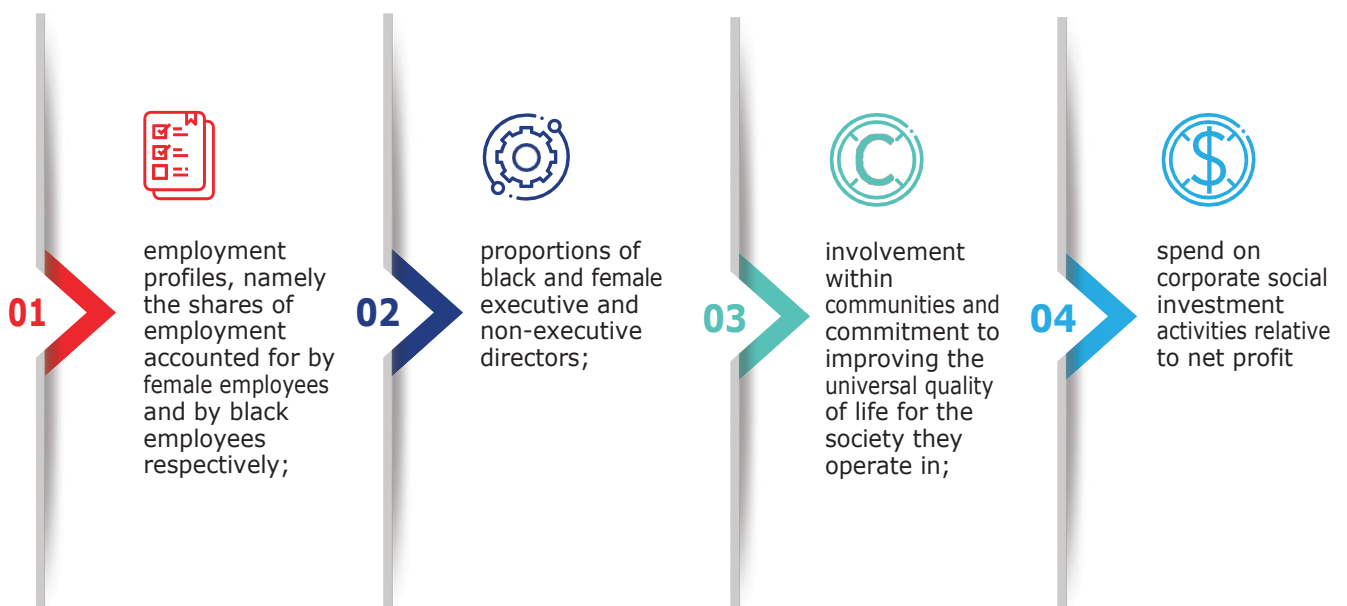
Gold Circle has over the years implemented several initiatives which demonstrate a positive commitment to transformation throughout its business.

This was a key factor in contributing towards the company being recognised as the “best managed company in the Gaming and Leisure sector” in the 11th edition of the Top 500 publication which is published annually by research-based company, Topco Media.

Topco Media use objective criteria designed in conjunction with UCT’s Development Policy Research Unit, against which roughly 2000 prominent companies are measured every year. In order to place top of their sector, a company must excel in three key spheres, namely financial performance, empowerment, and policy and accreditation.



Financial performance speaks to the nature of top companies being large, growing and productive institutions and is measured by four indicators: turnover, rate of turnover growth, rand turnover growth and turnover per employee. Researchers also assess how companies promote equity and social transformation. They assess the following criteria:



ACHIEVEMENTS

Companies are also judged on the existence of written policies regarding employment equity, skills development, health and safety, HIV/Aids, and the environment.

Gold Circle is committed to making a positive contribution to individuals who have been previously disadvantaged. Employment Equity, gender empowerment and skills development remain high on the list of priorities that the company seeks to uphold. The company received an award as the Top Gender Empowered Company in South Africa in the Travel & Hospitality sector at the 16th Annual Standard Bank Top Women Awards and was also a finalist in the Skills Development category.



Former Chairperson of Gold Circle, Dr. Phumla Mnganga and Corporate Services Executive, Veronica Jack receiving the award for the Top Gender Empowered Company.

Gold Circle recognises that transformation within the company and the horse racing industry at large, is a strategic imperative and therefore aligns itself with the principles of the Broad Based Black Economic Empowerment (B-BBEE) Act and the Codes of Good Practice, as amended from time to time. The primary objective of these principles is to advance the economic transformation and enhance the economic participation of Black people which forms the basis of Gold Circle's transformation strategy. To this end the company has achieved a Level 2 B-BBEE recognition level.

Gold Circle is proud of these achievements as it reinforces the company's credibility as a responsible corporate entity adhering and striving towards making a difference in the lives of its stakeholders and the socio-economic welfare of the communities in which we operate.

ACHIEVEMENTS



Beescore
KNOWING WHAT COUNTS

Certificate No. BS G 10785-211220

Hereby certifies that
GOLD CIRCLE PTY LTD

Of: 150 Avondale Road, Greyville, Durban, 4000

Reg No: 1998/024366/07

Vat No: 4050179979

B-BBEE STATUS: LEVEL 2

B-BBEE Procurement Recognition	125%	Empowering supplier	YES
Black Ownership	40.74%	Discounting Applicable	NO
Black Women Ownership	4.15%	Modified Flow Through Applicable	NO
Designated Group Ownership	1.45%	Exclusion Principle Applicable	NO
Black Youth	1.45%	Designated Group Supplier	NO
Black Disabled	0.00%	Y.E.S Initiative Applicable	NO
Black Unemployed	0.00%	Y.E.S Target and 2.5% Absorption	NO
Black People living in Rural areas	0.00%	1.5 x Y.E.S Target and 5% Absorption	NO
Black Military Veterans	0.00%	Double Y.E.S Target and 5% Absorption	NO
Black New Entrant	3.75%		

B-BBEE SCORECARD: DTI - Generic

Element	Weighting	Bonus Points	Achieved
Ownership	25		21.31
Management Control	19		13.20
Skills Development	20	5	16.11
Enterprise and Supplier Development	42	4	40.44
Socio-economic Development	5		5.00
TOTAL	111	9	96.06
Measurement Period	01 August 2020 to 31 July 2021		

Technical Signatory

Issue Date: 20 December 2021

Expiry Date: 19 December 2022

Should BEEScore Pty Ltd in its sole discretion adjudge that the measured entity is misusing the BEE Certificate, BEEScore Pty Ltd reserves the right to immediately withdraw the BEE Certificate and the measured entity shall, upon written request by BEEScore Pty Ltd forthwith return the BEE Certificate.

BEEScore Pty Ltd

Reg: 2001/020971/07

Tel: +27 31 583 0640, e-mail: info@BEEScore.co.za



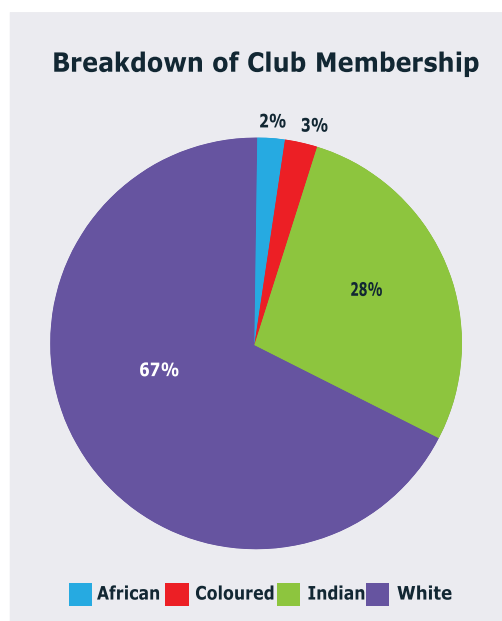
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PAST, PRESENT & FUTURE



OWNERSHIP

Ownership in Gold Circle is denoted through a single shareholder that being the Gold Circle Racing Club which in turn comprised 794 members as at 31 July 2021. There are no barriers to becoming a member of the Club and the Board of Directors continue to initiate efforts to improve the demographic profile of club membership. Black membership and black women membership with voting rights comprised 33% and 4% respectively, of total membership.



Members are generally stakeholders in the business in the form of, owners of horses, trainers, breeders and tote agents. These individuals derive economic benefit from the companies' operations in the form of stakes, subsidies and commissions. As at 31 July 2021, 19% of these people were black with a further 2% being black women and 1% coming from black designated groups.

In respect of horse ownership, it must be noted that it has been extremely difficult to entice ownership in an investment that offers low returns. The reduced popularity of horse racing combined with escalating costs and the availability of other 'status' driven activities, has resulted in a low level of interest of black participants in the sport.

The drive to increase black participation in horse ownership remains and to this end, it was a most gratifying experience when Ashwin Reynolds wrote his name into the record books by becoming the first owner of colour to win the "2021 Vodacom Durban July" with his horse Kommetdieding. To crown it all, Kommetdieding is trained by a glamorous young lady, Michelle Rix - only the second member of the fairer sex to saddle the "July" winner following Candice Bass Robinson's ground-breaking success with Marinaresco in 2017.



Ashwin Reynolds, Owner of Kommetdieding - winner of the 2021 Vodacom Durban July

PAST, PRESENT & FUTURE

For the past 20 years Vodacom have taken the event forward into the era of social media with great success. The headline sponsor, the City of Durban and the Province of KwaZulu-Natal have been notable beneficiaries of the Durban July which has always attracted international interest and guests. Over the last twenty years, the influx of local visitors, particularly from Gauteng, has grown significantly.

The economic value of the raceday and the many social events that have been born around what has now become "July Week" for Durban, amounts to hundreds of millions of rand. As a consequence both Durban and KZN Tourism have in recent years partnered with Gold Circle to ensure that the Event realises its full potential when it comes to maximising the benefit to the local economy.

According to an Economic Impact Assessment carried out by BDO on behalf of the Ethekweni Municipality, the 2019 VDJ weekend events (pre-Covid-19), contributed R288m.2 million to the Municipality's GDP and R20 million to government taxes.

It is projected that the event resulted in the creation and/or sustainment of 556 annualised employment opportunities in the Municipality. The event organisers (excluding Gold Circle) indicated that a total of 935 people were directly employed or contracted to provide services during the event and 98% of these people were from the Ethekweni District. The Durban July and the various events associated with it, also benefits a large number of Small, Medium and Micro-Enterprises (SMME's), whose goods and services are procured over this period, and this provides a stimulus for greater business opportunities for the SMME's.



Vodacom Durban July 2021 prize giving from left to right: Luvo Zingelwayo, Gavin Lerena, Babu Nunan, Michelle Rix, Chris Lazarus and Harold Crawford.

PAST, PRESENT & FUTURE

In 2018 at the Gambling Industry Awards held in Johannesburg, the Vodacom Durban July was judged the best horseracing event. The Gambling Industry Awards has not taken place since due to Covid-19. Gold Circle is especially proud that its signature event is fully diverse and has been embraced across the board by people from all walks of life. It is accepted that Gold Circle's ownership structure is unusual and the Board are currently working on a restructure strategy with the aim of transferring a significant portion of the shareholding of Gold Circle to black people.



Gold Circle's Marketing Consultant, Ken Tweddell and Racing Executive Raf Sheik receiving the award for the 'Vodacom Durban July - Horseracing Event of the Year.'

VODACOM DURBAN JULY 2021

An Afrikaans race horse, a Coloured Owner and a female trainer combined to win Africa's greatest horse racing event!



Gavin Lerena riding Kommetdieding to victory in the 2021 Vodacom Durban July.



"Our efforts, over the years, to bring all South Africans together in a spirit of fun, joy and camaraderie at the Vodacom Durban July spectacle, as a flagbearer for the Rainbow Nation, has been our biggest achievement," - Gold Circle CEO Michel Nairac

PAST, PRESENT & FUTURE



MANAGEMENT CONTROL

2.1 Board Representation

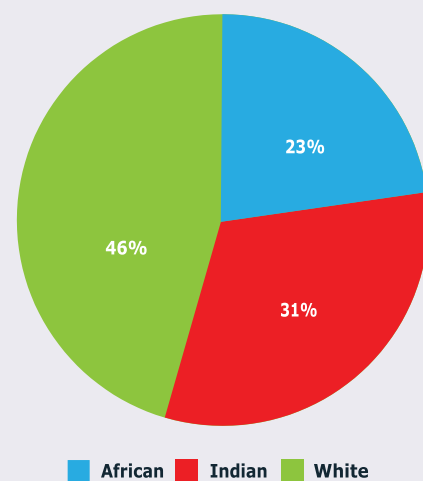
The unique nature of the horse racing industry requires participation by individuals who have a sound understanding and to some extent a vested stake in the success and sustainability of the company and the industry. It is for this reason that representation on the Board of Directors of Gold Circle is mainly driven through the Club membership as the Board members may be owners, trainers, breeders, tote agents etc.

In addition, the Board makes external appointments to balance the skills required to drive the business. At 31 July 2021 the Board comprised two executive and eleven non-executive directors, seven of which were black and four black women.

2.2 Employment Equity

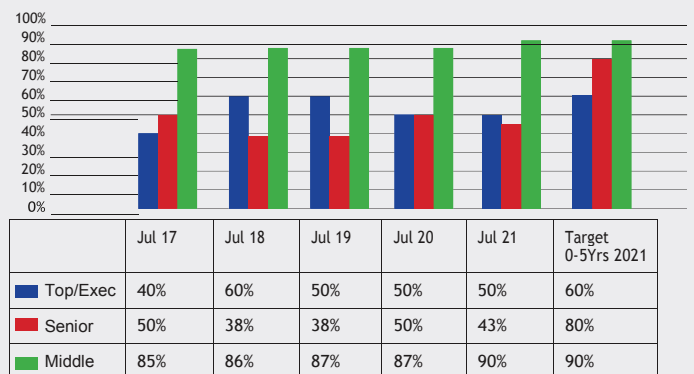
Gold Circle has a policy of employing suitably qualified personnel and offers equal opportunity for further development, irrespective of race, disability or gender. The company adheres to the requirements and the objectives of the Employment Equity Act to redress the inequalities of the past so as to eliminate discrimination in employment, and preference is therefore given to the employment of previously disadvantaged persons. Through its operational infrastructure, Gold Circle is able to provide several employment opportunities for persons with disabilities. The company operates a telephone betting call centre where a number of operators who are wheel chair bound, are employed.

DIRECTORS AS AT 31 JULY 2021



A demographic profile of Black management employed by the company over the past five years as compared to the strategic targets that were set, is depicted as follows:

BLACKS IN MANAGEMENT



94% of the company's workforce is black, 57% black female and 3% are people with disabilities.

PAST, PRESENT & FUTURE

2.2 Employment Equity (continued)

There has been a significant decline in the total number of personnel directly employed by the company over the last five years as noted on the adjacent table. Due to the decline in revenue streams and more recently, the economic challenges of covid-19, Gold Circle's survival strategy over the last few years has had to encompass a continuous restructure of its workforce on several occasions leading to the loss of jobs. This is an unfortunate circumstance in a country where the unemployment rate is so high and is contrary to governments' strategy of job creation.

Employee Demographics

	2017	2018	2019	2020	2021
African	769	689	614	520	476
Coloured	57	53	48	36	30
Indian	223	211	199	171	159
White	65	58	53	45	39
Total	1114	1011	914	772	704



Hollywoodbets Greyville stands filled to capacity on Vodacom Durban July Day (pre- covid).

PAST, PRESENT & FUTURE

03 SKILLS DEVELOPMENT

The current economic climate, coupled with high unemployment rates and alarming skills shortages makes skills development in South Africa a strategic priority. Gold Circle is actively involved in providing training opportunities to previously disadvantaged individuals, to reduce the inequalities of the past and unemployment, and at the same time promote employability and participation in the economy. The training and development of skills within the company is also necessary in order to ensure that it is able to efficiently conduct its business and meet operational requirements. Skills development also creates positive employee retention and empowerment.

During the 2021 financial year, Gold Circle expended an amount of R4.7 million (direct and indirect costs) towards training and skills development. A total of 326 individuals participated in upskilling initiatives of which 96% were Black and 4% were people with disabilities. These initiatives included learnership programmes in generic management, business administration, professional cookery together with hygiene and cleaning. The company also has several other internship and in-house educational training programmes that have been developed to enhance employee skills and allow them to progress their careers within the company. Funding assistance for formal training at certified tertiary educational institutions is offered to selected full-time employees who have the potential to further their careers in management positions.

The lockdown challenges of COVID-19 did have the impact of restricting certain annual training and development initiatives. The company generally embarks on a massive recruitment and training programme prior to the Champions Season which allows hundreds of aspirant matriculants and job seekers to apply for vacancies as betting operators. This training is not available at any tertiary educational institution and prepares candidates for similar employment opportunities in the open market once their seasonal contracts with Gold Circle have concluded. Since racing over Champions Season was restricted to "behind closed doors" the need for betting operators and accordingly training was reduced.



Professional Cookery training.



Noma Sangweni and Nirvana Doodhram from Gold Circle's Human Resources Department actively planning Skills Development initiatives.



Melinne Nathram completed a Bachelor of Commerce in Marketing Management through Mancosa with distinction in 2020 and is currently doing her Honours in Marketing Management. "I do not think I would have had the opportunity to accomplish my goals without the support from Gold Circle"



"I have been working at Gold Circle for 10 years, and throughout the years at Gold Circle they have always assisted me in my studies. I completed countless number of training courses, completed a B-Tech in Horticulture, and am in the process of completing a Post grad in Management qualification thanks to Gold Circle," Msizi Kubeka.

PAST, PRESENT & FUTURE



ENTERPRISE SUPPLIER DEVELOPMENT

Enterprise Supplier Development is one of the three priority elements of the B-BBEE Scorecard. The aim is to strengthen local procurement, enhance local supplier development programmes and increase financial support towards black entities.

4.1 Enterprise & Supplier Development

Total spend on Enterprise & Supplier Development initiatives over the period 1 August 2020 to 31 July 2021 amounted to R4 461 086. Details of the various initiatives are discussed below.

Gold Circle has since 2013, been instrumental in the start-up of black-owned companies, such as Track & Ball Proprietary Limited, Ezeefun Proprietary Limited, Betsumor Proprietary Limited and Wozabets Proprietary Limited. These companies are fixed odds betting companies and Gold Circle provides financial, operational and managerial support to enable the success of these entities. Ezeefun, Betsumor and Wozabets are exempt micro-enterprises as defined in the Broad-Based Black Economic Act, each with black shareholding in excess of 75% and black female shareholding exceeding 30%. These companies also operate their businesses at certain of Gold Circle's totalisator betting outlets and in so doing generate commission from Gold Circle. As at 31 July 2021, these entities employ 172 employees.

Gold Circle has implemented an employee based Enterprise & Supplier Development programme which includes identifying and supporting employees, with skills that are key to the organization and have the ability and potential to set up their own businesses to become a "procurement supplier" to Gold Circle. The company provides resources including Office space, equipment and training to these "suppliers" and they in return, through their respective businesses are able to supply required services to Gold Circle. The ultimate aim of the programme is for these individuals to grow their businesses and extend their services beyond Gold Circle. During the past year, two employees were able to set up their own businesses, Fired Up Media and Vinga Media.



"Without Gold Circle, I don't know where my business would be. They've assisted me so much. Thank you Gold Circle, I really appreciate all that you have done for me." Tawanda Taruvinga, owner of Vinga Media.

PAST, PRESENT & FUTURE



Sisters Kethiwe and Mphumelelo Mnganga assisting Gold Circle's Marketing Department ahead of the Vodacom Durban July 2016

Gold Circle, through its investment in Skills Development and Enterprise Development in prior years, has been able to provide a platform for the success of many black owned businesses. Sisters, Kethiwe and Mphumelelo Mnganga, while completing their tertiary studies, served as interns at Gold Circle's Marketing Department ahead of the prestigious Vodacom Durban July over a number of years. Through this exposure, they were identified as ideal candidates to open a Vodacom pop-up store. These ladies went on to start their own company called Double X Investments and today own a 51% stake in the Cornubia and Stanger Vodacom stores.

4.2 Retail outlets

Gold Circle's retail footprint in Kwazulu-Natal comprises 103 totalisator betting outlets – 8 branches and 95 agency based operations, 50 of which are owned and operated by previously disadvantaged individuals (PDI's). During the financial year ending 31 July 2021, the PDI agents collectively earned in excess of R10 million in commission. Gold Circle further assists the agency network by providing essential services to operate their businesses, at no cost to the Agent. These services include inter alia horse racing and betting odds picture broadcast, cash collections, betting stationary and technical support of betting equipment. In addition to the direct benefit of commissions earned, the establishment of a totalisator betting outlet as a primary business also facilitates earnings via supplementary business channels such as Limited Payout Machines and food and beverage facilities. Certain PDI Agents have also broadened their horizons and ventured into the fixed odds arena and now operate successful bookmaker outlets in the Province.

Gold Circle has supported a number of PDI's in the creation of such bookmaking businesses, since the Kwazulu-Natal Gaming and Betting Board launched the issuing of bookmaking licences to PDI's. Many of these enterprises have in time grown to become successful bookmakers in their own right.

PAST, PRESENT & FUTURE

4.3 Procurement

Gold Circle has an appointed Tender Committee which adjudicates all tenders for required services in terms of the company's Limits of Authority Policy and an established B-BBEE Procurement Policy. The company gives preference to procuring goods and services from black empowered companies. A summary of procurement recognition levels over the past five years is as follows:

	2017	2018	2019	2020	2021	"Target 2021"
Recognition Levels	%	%	%	%	%	%
All Suppliers	92.6	97.6	82.2	72.7	83.2	80
QSEs & EMEs*	35.8	35.6	34.9	32.7	36.2	30
Empowering Suppliers**		22.8	23.3	20.8	22.3	40
Black Women-owned Suppliers ***		10.3	13.1	12.2	11.7	12
* QSEs – Qualifying Small Enterprises EMEs – Exempt Micro Enterprises						
** Empowering Suppliers – over 51% black owned *** Black Women-owned"						



SOCIO-ECONOMIC DEVELOPMENT (SED)

Gold Circle's SED programme is mainly industry based however it does seek to position the company as a key contributor around the socio-economic challenges facing the country like poverty, unemployment and inequality and aims to:

improve the lives of underprivileged individuals and communities in an impactful way;

serve as a skills transfer; and

promote transformation, diversity and inclusion of black people into the horse racing industry.

PAST, PRESENT & FUTURE

Total direct spend on Socio-Economic Development initiatives for the year ending 31 July 2021 amounted to R950 231. Details of the various initiatives are discussed below.

5.1 Traditional Racing

The sport of rural or traditional horse racing in South Africa was established more than 100 years ago. Traditional horse racing is the racing of locally owned horses in rural areas around South Africa. These horses are owned predominantly by black families from the rural areas.



Riders at the Harry Gwala race meeting.



CEO of Gold Circle, Michel Nairac at the Willowfontein Racemeeting.

In 2006, the then Premier, Sbu Ndebele approached Gold Circle to assist the sport of Traditional Horse Racing by providing technical expertise to the sport. MEC for Sport and Recreation, Amichand Rajbansi made horse riding a flagship programme within the Provincial Government. Gold Circle has since embraced this opportunity and has provided technical and financial support over the years, at the various Traditional Horse Racing events that take place throughout the province.

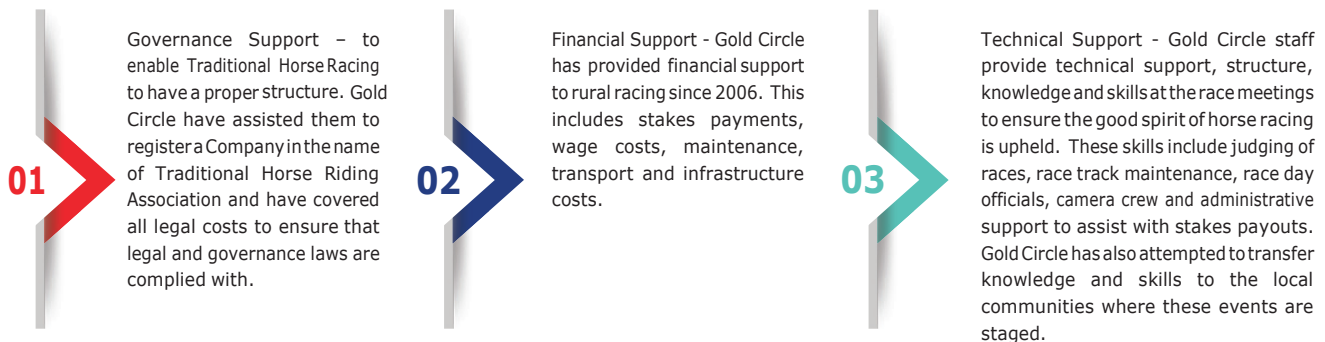
PAST, PRESENT & FUTURE

5.1 Traditional Racing (continued)

Horse owners, riders and spectators from all over the country and neighbouring countries congregate at various venues in KZN, mainly rural areas, to attend and participate in Traditional racing. These flagship events, in particular the Dundee July, has experienced phenomenal growth and has reached a stage of maturity attracting in the region of 25 000 spectators annually. As a consequence, the Dundee July is becoming commercially self-sustainable. In recent years the event has extended beyond the race day with popular street parades taking place over the two days prior. The event is being positioned as one of the annual tourism activities for the area, bringing the associated economic benefits to the community.

The 2019 event injected over R30m directly into the local economy and created over 500 temporary jobs. Support has also been extended to the other racing events such as Harry Gwala and Willowfontein race meetings staged annually in November and December each year. The Willowfontein race meeting was staged at the Hollywoodbets Scottsville Racecourse on two occasions prior to Covid.

The support provided by Gold Circle includes:



Dr Phumla Mnganga
presenting Traditional
Racing at the 38th
Annual Asian Racing
Conference



South Africa is a member of the Asian Racing Federation (ARF), an international federation comprising national horse racing authorities and racing-related organisations from across Asia, Australasia, Arabia and South Africa. In February 2020, a biennial conference was staged at the Cape Town International Convention Centre with more than 400 international delegates attending. Gold Circle were excited to be included as one of the key sponsors to host this event as it is only the second time that South Africa has hosted this prestigious event, the last time being in 1997.

The Conference was the ideal stage for the then Vice-Chairperson of Gold Circle, Dr Phumla Mnganga to introduce Traditional racing to representatives of horse racing authorities and racing-related organisations from various parts of the world.

It is unfortunate that of late, despite Gold Circle's contribution to and involvement in Traditional Racing over the years, the Company is being excluded from participation at rural racing events. Gold Circle still remains actively involved with rural racing communities through a rural clinic program.

PAST, PRESENT & FUTURE

5.2 Coastal Horse Care Unit (CHCU)



Volunteers from Gold Circle providing support at rural clinics

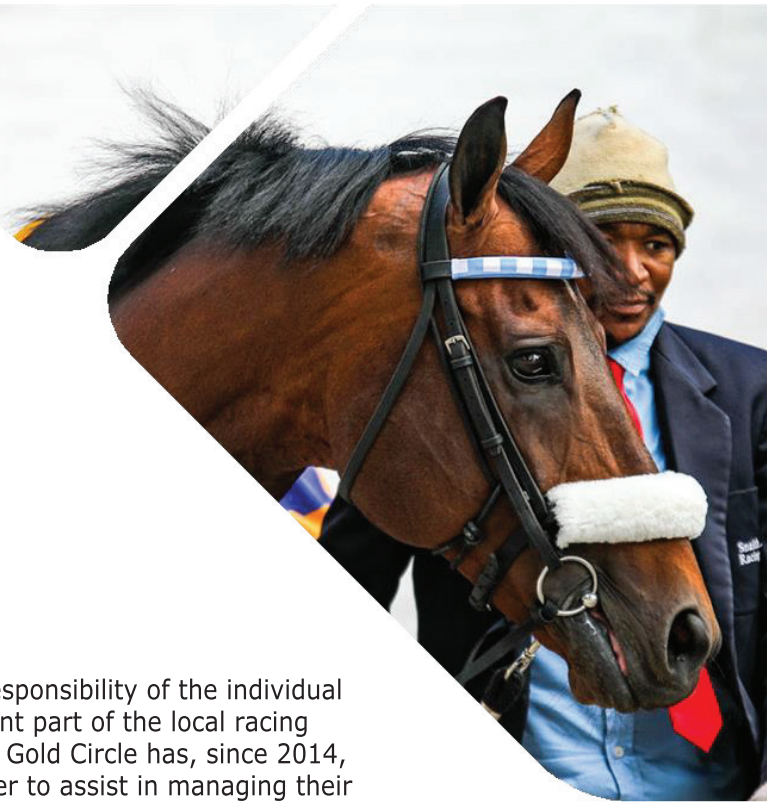
The Coastal Horse Care Unit (CHCU) is a non-profit company whose mission is to protect horses from abuse and alleviate their suffering by rehabilitating, campaigning and educating. Their main objective is the welfare and care of horses and associated with this objective is the transfer of skills to disadvantaged rural communities to assist and educate these communities to care for their horses.

Gold Circle is a major financial contributor to the Coastal Horse Care Unit and also assists the organization to raise funds towards their various initiatives. Gold Circle is continuously embarking on projects that support and develop traditional racing, thereby informing and integrating a culture of horse care and welfare amongst rural communities. In partnership with Coastal Horse Care Unit, Gold Circle started a Rural Outreach initiative called "Empowering Equine Communities through Service". The aim is to help educate rural communities on how to better take care of their horses which are used for racing, transport, herding and leisure. These programs highlight the informal racing industry and are an encouragement to horse owners to enhance their knowledge and skills to a more professional platform.

Gold Circle is actively involved in these community-based programmes and in this regard the company volunteers its personnel to undertake various clinics and workshops within rural communities together with the Coastal Horse Care Unit. The program serves to educate rural communities on the basics of horse care and provide them with the tools to gain better productivity from their animals in an environment which is conducive to both horse and owner. During the past year, Gold Circle also assisted CHCU and the National Horse Racing Authority to begin a process of micro-chipping and vaccinating horses which is a significant step forward in the formalisation of traditional racing and the protection of horses respectively.

The team also interact with the Community, in particular children who play a key role in caring for horses. It is well known that the passion and love for horses generally emanates from an early age, even with thoroughbred racing, and clearly the same holds true with rural horses as well. Skills development amongst the youth in particular, must continue in order for rural communities to progress the relationship between man and horse and Gold Circle will continue to remain involved in such projects.

PAST, PRESENT & FUTURE



5.3 Grooms Welfare

5.3.1 Healthcare

Grooms are not employees of Gold Circle. They are the responsibility of the individual trainer, their employer. Grooms form a close and important part of the local racing community and their health and welfare is an imperative. Gold Circle has, since 2014, procured the services of a professional medical practitioner to assist in managing their health. The main aim of the project was to curb the spread of tuberculosis and HIV and Aids however an analysis of the disease profile of patients indicate that the project has had far reaching benefits at managing the overall health and welfare of grooms.

In 2019, Gold Circle decided to expand on this initiative and in partnership with the Aurora Medical Group and the National Department of Health embarked on a community social development project to open a public healthcare facility at Summerveld. The clinic commenced activities in November 2020 and provides many high-level medical and health care services to the grooms, employees and the local community. These services include Covid and HIV testing, an ECG room, an ultrasound scanning room for pregnant woman, a consultation room, a waiting room and a small theatre wherein the potential to supply such necessities as oxygen is up to the same standard as a hospital ICU facility.

The clinic recently embarked on becoming part of the Vuma Campaign in partnership with the Department of Health and was able to provide COVID vaccinations to 500 individuals to date. This programme is ongoing and the National and Provincial department of Health have agreed to partner with Gold Circle and support this initiative. The clinic was officially launched on the 1st of December 2021, also in recognition of World Aids Day.



Seen at the official launch of the Summerveld Clinic from left to right, Dr D Loykissonlal representing the National Department of Health, Mr N Nunan - ex Gold Circle Director and Chair of the Social & Ethics Committee, Mr M Nairac - Gold Circle CEO and Dr Baldeo - Owner & Founder of Aurora Medical.



PAST, PRESENT & FUTURE

5.3.2 Grooms Incentive

Gold Circle has sought ways to incentivise Grooms through association and partnership with trainers and sponsors. In addition to their basic salaries, Grooms also earn 1% of stakes payable by the respective trainers. The stakes in the 2021 financial year amounted to R 792 000.



Groom, Liyolo Majacimane receiving the incentive on behalf of Trainer A Wright's stable

Since December 2019, Gold Circle in partnership with Hollywoodbets began an empowerment programme to recognise the critical and integral role that grooms play in the racing industry. Gold Circle and Hollywoodbets are in total contributing on aggregate, R1 million per annum towards the programme. Effectively the programme entails R1000 per race being paid over to the trainer of the stable yard of the winning horse for distribution to the stable employed grooms. On the day of the actual race, the groom in attendance representing the winning stable yard, receives recognition for his and his teams' efforts like all other connections (owners and trainers) associated with the winner, with the view to uplifting, empowering and incentivising.

Jonsson Workwear, one of Gold Circle's sponsors, was able to benefit 293 grooms with Jonsson Workwear vouchers totaling R 164 000 during the 2021 Champions Season. A Best Dressed Groom was selected for every race that took place over the period 4 April to 31 July, each winning a R500 Jonsson Workwear Voucher. On 3 July, the Vodacom Durban July raceday, each Best Dressed Groom received R1000. The winning groom of the Jonsson Workwear Garden Province Stakes received a voucher for R2500 and the winning Jockey and Trainer received R5000 each. This initiative encouraged the grooms to dress smartly and present a better image of themselves while having fun and competing with grooms from other stables.

Gold Circle are also assisting the grooms in facilitating the creation of a Grooms Association. Gold Circle are covering the legal costs to draft the constitution which will enable the grooms to have a structured platform to communicate any issues or concerns they may have and will also provide the grooms with premises to host meetings.

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5.3.3 Grooms Skills Development Programme

Gold Circle in partnership with Trainers began a skills development programme whereby a groom showing potential and skill can progress to the ranks of a stable employee followed by an assistant trainer and eventually a licenced trainer. In addition to benefitting from the opportunity to develop additional skills the groom also receives an allowance from Gold Circle while remaining on the programme.

5.3.4 Grooms Pension Fund

Gold Circle, together with the KwaZulu-Natal Owners and Trainers Benevolent Trust Fund, have agreed the principle of implementing a pension scheme for the trainers and grooms that are working at the training centres. This is a first for South Africa and further supports the company's transformation initiatives in providing benefits for a segment of the stakeholder base that are least able to afford their own individual scheme. The total value of the initial capital funding for the trainers and grooms pension scheme will be R9 million.

5.4 Race Horse Trainer Development



"Thank you Gold Circle for believing in me and giving me the opportunity that you have. Because of your investment into my career and growth, I am a fully qualified trainer today. You have made my dream become a reality". - Siboniso (Bo) Ngobo

Through a structured and formalized Gold Circle Assistant Trainer Development Program, Stable employees who are promoted to assistant trainers are assigned and mentored by a trainer who provides them with the necessary practical skills required to become a licenced trainer. During this internship program, the assistant trainer is paid a stipend and Gold Circle also covers the cost for their exams. Once fully qualified as a licenced trainer, Gold Circle covers the business set-up costs which includes the costs of coaching to operate a business.

Gold Circle has through this programme assisted several trainers and assistant trainers to progress their career in the industry, in particular Mr. Bennet Bulana, who was the first African trainer in Kwazulu-Natal. Mr. Bulana was granted a full trainer's license by the National Horseracing Authority of South Africa in 2003. He had a number of successes with his horses during his tenure as a trainer, however opted to accept full time employment as the Grooms Hostel Manager at Summerveld since 2017 until his passing in 2021.

During the past year, Siboniso (Bo) Ngobo qualified as a licenced trainer. Gold Circle are in the process of helping him to set-up his business.

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5.5 South African Jockey Academy



S'Manga Khumalo, a graduate of the Academy rode his way into the history books by becoming the first jockey of colour to win the Vodacom Durban July on Heavy Metal in 2013.

The South African Jockey Academy (SAJA), recognised as one of the leading Apprentice Academy's in the world, opened its doors for business in June 1961. It was the first integrated school in South Africa to allow non-white students an opportunity to train as jockeys. Well-resourced with modern training facilities and an experienced, dedicated and motivated staff, this highly internationally acclaimed facility is situated in Summerveld, at a state of the art horse training facility run by Gold Circle.

It is the only institution in South Africa that offers youth an academic, experiential and practical learning programme, including a Matric and/or the National Certificate Equine Studies Qualification, to qualify as a professional jockey. Training is provided over a five-year apprenticeship period and is achieved in parallel with acquiring an educational Level 12 standard.

The Academy sources apprentices from all communities according to their height, weight and athleticism and nearly 80% of all apprentices are from previously disadvantaged communities. The Academy is a leader in its field internationally, and also attracts apprentices from abroad. It is important to note that qualifying jockeys become independent contractors and are able to race throughout the country and internationally if they have the skills and desire to do so.

Gold Circle is a major financial contributor to the Academy and is proud to be associated with this educational institution which ensures the sustainability of providing careers for future jockeys.



Siphesihle Hlengwa received both the Dux Award and the Headmaster's trophy at the 2021 SAJA awards.

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5.6 Corporate Social Investment

Gold Circle is committed to making a positive contribution to the upliftment of disadvantaged and under developed communities through its Corporate Social Initiatives Programme. All activities undertaken are approved and monitored through the Social and Ethics Committee. Some of the initiatives undertaken include:

5.6.1 Charity Fundraising

As part of a broader social and welfare initiative, Gold Circle provides its administrative infrastructure, buildings and racing events to non-profit organisations and other entities to raise funds for charity and other worthy causes. Gold Circle has through its Charity race days, assisted several organisations to raise much needed funding for their charity work in the community. During the two years prior to covid, these charities were in total, able to raise an average R1.9 million per annum. Many of these events could not be hosted since to Covid-19 lockdown restrictions.

5.6.2 Support for the Elderly

Age-In-Action is a developmental organisation which strives, in collaboration with other stakeholders, to uphold the rights and dignity of older persons, through advocacy and lobbying and improved access to care; support and protection; training and development and sustainable economic empowerment. Gold Circle supports the principle of these initiatives and partners with Age-In-Action making its facilities available for projects and outings for the aged. Gold Circle was also able to contribute towards an initiative driven by The Association for the Aged (TAFTA), over Christmas. Contributions from donors, corporate partners and public supporters enabled TAFTA to provide a festive 3-course meal to over 1500 elders in-house, as well as community elders benefiting from TAFTA's Meals on Wheels programme.

5.6.3 Youth Support

From time to time Gold Circle identifies young persons from a disadvantaged background who could potentially become involved in horse racing as a career or in an alternative equine discipline. One such beneficiary is Qhubekani Gama, who in 2013, at nine years of age was identified as someone who showed potential to become a jockey. Gold Circle have over the years, paid for Qhubekani to attend show jumping lessons at the Maple Ridge Equestrian Academy and he has won many events. While the intention was for him to move to the Jockey Academy at some stage, his recent assessments indicate that his weight and height exceed the requirements of jockeys and so he will continue to pursue his show jumping career.



Qhubekani Gama

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5.6.3 Youth Support (continued)

Youth are the leaders of the future and Gold Circle acknowledges the importance of providing the youth opportunities to learn through support programs. Amongst many other initiatives, Gold Circle has elected to support the Greyville Primary School, which borders the Greyville Racecourse, by sponsoring various initiatives that enhance the needs of the learners and educators.

During the past year, Gold Circle were able to provide much needed stationery to matric students at the Velabahleke High School in Umlazi. The request came through at short notice, two days before the students starting their exams, but not having the basic stationery needed to do so. A team of the company's employees coordinated a programme to put the stationery packs together and these were delivered to the school timeously.



Qhubekani Gama showing of his skills



Gold Circle staff with matric students at the Velabahleke High School in Umlazi

5.6.4 Children

On an annual basis, Gold Circle hosts an early Christmas Party for underprivileged children from The Save the Children Fund. On average, 60 children aged between 5-6 years old and their caregivers are invited to a luncheon and related entertainment at Hollywoodbets Greyville.

This past year, Gold Circle was also able to provide groceries to the Bobbibear Foundation, a centre based in Amanzimtoti, which provides a safe haven and temporary home to children who are seeking refuge from abuse and their abusers.

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5.6.5 South African Riding for the Disabled Association (SARDA)

The South African Riding for the Disabled Association (SARDA), which is based close to the Summerveld Training Establishment, is the title charity for the Vodacom Durban July. Each year SARDA receives a substantial donation from Africa's Greatest Horse racing and Social Event, hosted by Gold Circle, as a show of support for their continued efforts for the great work that they do.

SARDA is a non-profit organisation which provides specialised horse riding classes to mentally and physically handicapped children of varied degrees. The critically acclaimed riding therapy sessions have been documented as making significant improvements to the physical and mental condition of the young boys and girls taking part in their regular riding sessions, driving the philosophy that "in riding a horse, freedom and independence become a reality."



Gold Circle's Marketing Consultant Ken Tweddell handing over a cheque to SARDA.

5.6.6 Employees

In recognising the old adage, "charity begins at home," Gold Circle were able to provide their less fortunate employees' grocery packages following the unrest in July this year.

CONCLUSION

In light of the above initiatives that Gold Circle has implemented to date, the company has achieved a level 2 B-BBEE recognition level. This serves as confirmation of the progress the company has made towards transformation despite the specific challenges of the past year which included inter alia:

Covid lockdown restrictions

the unrest in July

the more arduous requirements of the amended B-BBEE scorecard

increased targets in respect of Enterprise & Supplier Development and Socio-Economic Development

The company recognises that transformation within the industry is not a destination but a journey and will therefore continue to find ways of progressing transformation and the upliftment of the previously disadvantaged.



"There is something about the outside of a horse that is good for the inside of a man."
-Winston Churchill"



Siya Kolisi with Blackwhitedynamite (trained by Peter Muscutt and owned by the Hollywood Syndicate)