

MOTORSPORT SOUTH AFRICA ANNUAL REPORT







1. CHAIRMAN'S REPORT	-	PAGE 3
2. FINANCIAL DIRECTOR REPORT	-	PAGE 13
3. CHIEF EXECUTIVE OFFICER REPORT	-	PAGE 15



MSA CHAIRMAN'S REPORT



MR. ANTON ROUX



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CHAIRMAN'S REPORT TO THE 29th ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA NPC HELD ON 20 AUGUST 2024

This report covers the period from the 22nd of August 2023 to the 5th of August 2024. I must describe this timeframe as the most challenging since my appointment to the role of Chairman in March 2019. I begin with this candid remark in the hopes of capturing your attention and that you will read the full report. All of us who are passionate about motorsport should comprehend the challenges we are facing.

Two of our fellow competitors passed away at events this year. May Leighton Thomas and Michael Pentecost rest in peace.

BOARD COMPOSITION

Our CEO Adrian Scholtz is retiring at the end of this year. Adrian joined MSA 34 years ago and was officially appointed as the CEO of MSA in December 2014. For nearly two years prior to that Adrian was also the acting CEO. Prior to his appointment as CEO Adrian was the Sporting Services Manager for circuit racing and karting.

During Adrian's career he was a Steward at multiple world championship events held in South Africa that included Formula 1, MotoGP, World Superbikes, World Rallycross and Formula E events. Adrian was also a Steward in multiple iconic national off road events such as the Roof of Africa and the Toyota Desert Race.

Adrian was involved in the Phakisa circuit project from the build of the circuit to the hosting of 6 Moto GP events. At each one of these events, Adrian acted in an official capacity.

During 2016 Adrian was a nominee for the SA Guild of Motoring Journalists' Colin Watling award for his services to Motorsport.

MOTORSPORT SOUTH AFRICA IS THE ONLY RECOGNISED MOTORSPORT FEDERATION IN SOUTH AFRICA



Directors: A. Roux (Chairman), A. Scholtz (Chief Executive Officer), R. Beekum (Financial),

Mrs. D Abrahams, Mrs. D. Ballington, K. Govender, Ms. T. Human, FC. Kraamwinkel, Mrs. S Labuscagne Jonck, M. Rowe, V. Maharaj (Executive), G. Waberski Honorary President: R. Schilling When Adrian took over the reigns at MSA, it was at a time of negative publicity for the company and Adrian stabilised the organisation from a human resources and financial perspective. Under Adrian's leadership the financial reserves of MSA improved to be approximately equal to one year's income.

There have also been some lowlights in Adrian's career. During his career at MSA, there were more than 60 of the sadly inevitable deaths that occur in Motorsport and each one of these deaths is a reminder that we love a dangerous sport and we must continue to focus on the safety aspects of our beloved sport. Over the last couple of years dealing with online abuse has been very difficult as well as various unnecessary civil court cases which waste time, effort and money.

Even though Adrian is retiring, we will not be saying goodbye to him. He possesses too much institutional wisdom and it would be wrong of us not to utilise his knowledge in our courts, improving our GCRs and managing some projects for MSA. The FIM has already asked Adrian to be a Steward at the FIM Intercontinental Games in Jerez, Spain in December 2024.

CAPACITY	NAME	SURNAME	TERM ENDS	FINCOM	*GOVER COM	REM COM	*TRANSF COM	RACE	GENDER
Chairman	Anton	Roux	AGM 2025	v	v	v	v	w	М
Chief Executive Officer	Adrian	Scholtz	DEC. 2024	v	v		v	w	М
Financial Director	Rakesh	Beekum	AGM 2025	v	v	v	v	PDI	М
Board Member	Garth	Waberski	AGM 2024					w	М
Board Member	Frik	Kraamwinkel	AGM 2025				v	w	М
Board Member	Deanne	Ballington	AGM 2025					w	F
Board Member	Kuven	Govender	AGM 2025					PDI	М
Board Member	Denise	Abrahams	AGM 2026				v	PDI	F
Board Member	Tanya	Human	AGM 2026					w	F
Board Member	Sandra	Labuscagne-Jonck	AGM 2026					w	F
Board Member	Mike	Rowe	AGM 2026					w	М
Board Member	Vic	Maharaj	MARCH 2034	v	v	٧	v	PDI	М

The Board currently consists of the following individuals:

Garth Waberski has reached the end of his first term of office and has made himself available for possible election for a second term. In terms of 18.2.4 of the MOI, Frik Kraamwinkel has to step down from the Board at the AGM. I would like to take this opportunity to thank Frik for the contribution that he made to the board during his term of office and wish him everything of the best for the future. Rakesh Beekum has been the Board member responsible for our finances over the past 5 years and requested to step down due to his other business commitments. I need to thank Rakesh for the time that he served on the MSA Board. The Board will appoint a new Non-Executive Financial Director in due course. The Directors also unanimously appointed Vic Maharaj to the Board at the last Board meeting.

Vic Maharaj was also appointed to the following FIA Commissions/Committees during the period in question:

- International Karting Commission
- Sport Member Club Committee
- International Cross Country Commission

WE HAVE LOTS TO BE PROUD OF:

2024 NOTABLE EVENTS HELD TO DATE IN SA:

- African Karting Cup: 15 17 February 2024, Zwartkops Kart Circuit.
- The Toyota Gazoo Racing South Africa Safari 1000: 21 23 June 2024, Koedoeskop Laerskool in the Thabazimbi area in Limpopo.

2024 DAKAR RALLY

<u>CARS</u>

Toyota Gazoo Racing had two cars in the top 10 overall at the 2024 Dakar Rally.

- 6th out of 136 Participants
 - Driver: Guy Botterill
 - Co-Driver: Brett Cummings
- <u>7th out of 136 Participants:</u>
 - Driver: Giniel de Villiers
 - Co-Driver: Dennis Murphy

BIKES

5 competitors participated.

- <u>3rd place out of 84 participants</u>
 - Bradley Cox / Rally 2 Class
- 9th place out of 84 participants
 - \circ Charan Moore / Rally 2 Class

2024 RALLY ITALIA SARDEGNA - CARS

FIA Junior WRC

- <u>3rd Place (Podium):</u>
 - o Driver: Max Smart

2024 FIM RALLY-RAID BP ULTIMATE – PORTUGAL - BIKES

- <u>2nd place out of 31 participants</u>
 - \circ Bradley Cox / Rally 2 Class

2024 FIM RALLY-RAID DESAFIO RUTA 40 – ARGENTINA - BIKES

• <u>2nd place out of 17 participants</u>

• Bradley Cox / Rally 2 Class

2024 FIM HARD ENDURO WORLD CHAMPIONSHIP

3 Events are still to be held.

- <u>2nd overall out of 18 participants / FIM Hard Enduro World Championship</u>
 Wade Young / Gold Class
- <u>6th overall out of 18 participants / FIM Hard Enduro World Championship</u>

 Matthew Green / Gold Class
- <u>5th overall out of 17 participants / FIM Hard Enduro Junior World Championship</u>

 James Moore / Gold Class

2024 FIM MOTOGP World Championship

Brad Binder is currently in 7th place in the world championship.

2024 DTM Championship

South African brothers Sheldon (BMW) and Kelvin (Audi) van der Linde are both competing in the 2024 DTM Championship. Kelvin is currently second in the drivers' championship, with Sheldon in 5th position.

2024 Porsche Carrera Cup - GB

Andrew Rackstraw is 6th in the drivers' championship.

2024 Porsche Carrera Cup - Italy

Keegan Masters is 2nd in the drivers' championship.

2024 Porsche Mobil1 Supercup

Keegan Masters is 4th in the drivers' championship.

2024 GT World Challenge Europe

Jordan Pepper is 10th in the drivers' championship.

2024 GB3 Championship

Jarrod Waberski is 6th in the drivers' championship.

2024 GT Open Cup Championship

Mikaeel Pitamber is 3rd in the drivers' championship. Jordan Pepper is 5th in the drivers' championship.

2024 British F4 Championship

Mika Abrahams is 7th in the drivers' championship.

2024 ADAC GT Masters Championship

Kwanda Mokoena is 10th in the drivers' championship.

2024 FIA Academy Trophy Wian Boshoff is 4th in the championship.

NOTABLE MENTIONS SHOULD BE OFFERED TO:

Giniel De Villiers	- Competed in a Record 21 Dakar Rallys
Guy Botterill	- 1 st Time Competing in the Dakar Rally
Saood Variawa	- 1 st Time Competing in Dakar Rally (Youngest Driver 7 th /136)
Daryn Binder	- FIM Moto2
Ruche Moodley	- FIM Junior GP Talent Cup and FIM Red Bull Rookies Cup
Kgopotso Monyane	- FIM Junior GP Talent Cup and FIM Red Bull Rookies Cup
Dino lozzo	- FIM Junior GP
Leungo Gaorekwe	- FIM Junior GP and ESBK
Diego De Ponte	- FIM Junior GP
Brett Roberts	- FIM Junior GP
Nicole Van Aswegan	 FIM Women's World Championship
Jessica Howden	- FIM Women's World Championship
Taigh Janse Van Rensburg	- CIV Championship
Chris Wright	- CIV Championship
Matthew Scholtz	- AMA Moto America
Dominic Doyle	- AMA Moto America
Steven Odendaal	- FIM Endurance & ESBK Superbikes
William Marshall	- Champions of the Future Academy
Luviwe Sambudla	- FIA Karting and WSK events
Enzo Rujugiro	- FIA Karting and WSK events
Ethan Lennon	 FIA Karting and WSK events
Nikolaas Roos	 FIA Karting and WSK events
Sheldon Van Der Linde	- FIA World Endurance Championship
Kelvin Van der Linde	- FIA World Endurance Championship

TRAINING OF OFFICIALS

Webinar Course	2021	2022	2023	Jan to July 2024	Total participants in Webinars
GCR	263	161	185	196	805
Scrutineer & Technical	344	123	82	64	613
Covid	227	10	N/A	N/A	237
Event Secretary	72	7	16	8	103
Environmental	70	51	38	42	201
Medical	0	99	39	18	156
Total	976	451	360	328	2115

During the Covid lockdown, MSA started to expand its training of officials and we have continued with this initiative.

Since we embarked on our initiatives to train more officials, it is encouraging to see that 2115 participants have attended our training courses (note that these figures also include refresher courses). Thank you to William Louw who has taken over the facilitator role on the officials courses, as well as to Marius Matthee for Environmental courses and Rudi Pretorius for Medical courses.

NUMBER OF EVENTS

Five years later, we are still not on the 2019 levels. Since the beginning of the season, 22 events were cancelled, due to Force Majeure, bad weather and reasons outside the control of MSA. The events cancelled due to bad weather were mainly events being held at the coast. Climate change is real and a risk to our sport.

			TOTAL	EVENTS		
	2019	2020	2021	2022	2023	2024
JAN	8	6	2	3	5	5
FEB	35	46	20	28	26	31
MAR	58	26	31	30	35	35
APR	40	0	26	26	38	31
MAY	50	0	30	32	33	33
JUN	51	0	25	31	35	27
JUL	38	1	7	37	30	27
SUB TOTAL	280	79	141	187	202	189
AUG	50	15	23	31	33	
SEP	44	36	30	31	41	
ОСТ	45	35	38	40	31	
NOV	49	29	26	31	30	
DEC	14	12	14	12	15	
	482	206	272	332	352	189

CHALLENGES

MSA's protest system is being used in an attempt to gain a competitive advantage.

Protests and Legal Action.

Since 2015, there have been 79 protests in karting, compared to just 10 protests in motocross during the same period. This comparison is significant because both categories have a comparable number of competitors. Additionally, it is important to note that the Rotax series, a major karting championship, was not part of MSA for two of these years, which further highlights the disparity. The 79 protests equate to one protest for every 5 competitors. In contrast, we have received 18 protests (14 of which were dismissed) from a single competitor, Mr Wally (junior) who is assisted by his parents Mr and Mrs Wally. For the purposes of this report, they will collectively be referred to as the Wally Family.

As I am preparing this report, there are four more matters before MSA's Courts of Enquiry and National Courts of Appeal relating to the Wally Family. In my view, it appears that the Wally Family is abusing the GCR protest/appeal system and the South African legal system, which is unfortunate as Mr Wally (junior) is a very talented competitor and these ongoing protests and challenges are detracting from the racing itself.

There is also a pending matter in the Equality Court, that is housed in the High Court, which the Wally Family have instituted against MSA and several MSA stakeholders, affiliated parties and members. The respondents in this Equality Court matter are the karting series promoter, five MSA officials (who are volunteers) and one Womza official. Additionally, BRP Rotax GmbH & Co KG, Bombardier Inc, SASCOC, and the Minister of Sports, Arts, and Culture are also listed as respondents. The Wally Family have accused MSA and the other respondents of discriminating against them on religious and racial grounds. This matter is currently before a Judge who needs to decide whether this matter should proceed to a hearing or not.

During July 2024, MSA also had to defend a matter on an urgent basis in the Johannesburg High Court. The application was dismissed and MSA was awarded costs. MSA's costs incurred in this single matter were over R500 000.00, only a portion of which will be recovered through the court's costs order. At an unrelated Court of Appeal, Mr Wally stated that he was funding this Urgent Court matter on behalf of the applicant even though the Applicant was not his child and he was never the entrant of the Applicant.

MSA's resources, as well as the attention of its staff and volunteers, are being disproportionately consumed by the conduct of a very limited number of individuals and the nett result will inevitably be an increase in licence fees for all other participants in the sport.

When is a competitor an adult and when not?

Our General Competition Rules (GCR) permit minors to compete in 'adult' events starting the year they turn 15. This policy is designed to allow young talent to compete alongside adults and participate in international events from an early age. However, we face a challenge when a Court of Enquiry or similar proceeding involves an underage competitor, as the defence often cynically uses their status as a minor under the South African Constitution to gain an advantage. We need to develop a solution to address these situations.

Parent and Competitor Behaviour

We need to attract more sponsors to our sport.

One of the assets of entities that have the financial means to sponsor events, competitors or venues is their reputation. No entity will sponsor anything or anyone that will damage its reputation. When competitors and their families get involved in physical and/or verbal altercations at motorsport events, they are damaging our sport. When competitors abuse officials, they are damaging our sport. In the social media era that we live in, the damage can continue for years to come.

The consequences of every item under the heading of "Challenges" are the following:

- 1. Our full-time employees are occupied with non-motorsport activities. Instead of developing and growing the sport, we are busy with matters outside our field of expertise, and thus need to make use of external advisors.
- 2. The financial ramifications of these legal and other challenges have a direct impact on the licence and other fees of every single competitor. The financial reserves that were created and funded by competitors and members over decades are being depleted and wasted, despite MSA's attempts to prevent frivolous wastage of funds.
- 3. Our volunteer officials will also stop volunteering as it is becoming increasingly unpleasant for them to do so.

I have no wish or ability to influence the individuals (including advocates and lawyers) that sit on our various courts; however, I will request that the MSA Board consider the following in the interests of addressing the current unacceptable situation in which MSA and the sport finds itself (which I stress is created by the conduct of only a handful of individuals within the sport):

- A. Increase the maximum fines and penalties that the courts may impose.
- B. Revisit the circumstances under which licences can be withdrawn and/or suspended.
- C. MSA needs to have more flexibility in decision-making as to when not to grant an international licence or starting permission to compete in another country.

- D. Currently, each court matter is dealt with on an individual merit basis, and I believe this to be the correct approach. However, when a sanction or penalty is to be applied, the Court must be able to consider previous offences before determining the penalty. Repeat offenders and first-time offenders cannot be treated the same when penalties are determined.
- E. We need to debate the purpose and efficacy of suspended sentences and whether our GCRs should even allow for suspended sentences.
- F. We need to find a suitable mechanism to hold both parents, rather than just the one who signs the documents on behalf of their minor child, responsible for their own conduct as well as that of their child.
- G. We need to review the protest and appeal procedures laid down in our regulations to ensure that they are still fit for purpose.

CONCLUSION

We live in challenging times and life is not fair, but we can have some fun along the way. We participate in a beautiful and ever technologically evolving sport. We are blessed in South Africa with incredibly talented manufacturers, engineers, fabricators, competitors and spectators with "gees". Let us collectively grow our beloved sport.

I would like to express my appreciation for the support that I receive from the employees at MSA, the Board of MSA and my wife and two daughters.

filthour

Anton Roux 13 August 2024



MSA FINANCIAL DIRECTOR REPORT



MR. RAKESH BEEKUM



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REPORT OF THE FINANCIAL DIRECTOR TO THE 29th ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA

The members are directed to focus on the audited annual financial statements of the company for the year ending on 31 December 2023. These statements were distributed to the members before the meeting.

The company's main activity of administering and governing motorsport in South Africa as conferred by authority of the FIA (Fédération Internationale de l'Automobile [International Automobile Federation]) and FIM (Fédération Internationale de Motocyclisme [International Motorcycling Federation]) have remained unchanged. While this is the case, opportunity always lies for the growth of MSA and revenue diversification.

Before we delve into the numbers for the last financial year, as you have heard from the Chairman that Adrian Scholtz will be handing over the reigns to Vic Maharaj. Adrian has had a lifetime of experience and has built a resilient MSA that has stood strong for decades. His knowledge of Motorsport, the regulations and, a huge heart for the members has led MSA to strongly control and administer the sport. The measures to sustain the business are in place and therefore foresee MSA as a going concern. Vic will no doubt be challenged with growth in a tough economic climate, and we would all like to see the membership grow and generate a surplus to sustain the organisation in trying times.

On the political front of the Government of National Unity, the new Minister has a keen interest in Motorsport and wants to make a marked difference in the sport. We're hoping that would create more interest and growth for the sport.

Revenue

The Revenue grew to R10 885 656 (2022: R8 393 332) with the FIA grant funding of R1.3m and a steady increase in the other revenue streams such as affiliations, levies, licenses and permit fees.

Expenditure

Total expenses were R12 226 078 as compared to the previous year of R10 848 994. The increase in costs were mainly from depreciation, employee costs, legal fees, PR & Marketing, regional awards, and local travel.

Loss

MSA has suffered a loss of R368 895 [2022: R1 764 957].

Balance Sheet items

MSA has a retained income of R8 238 143 (2022: R8 606 735).

Rakesh Beekum Financial Director

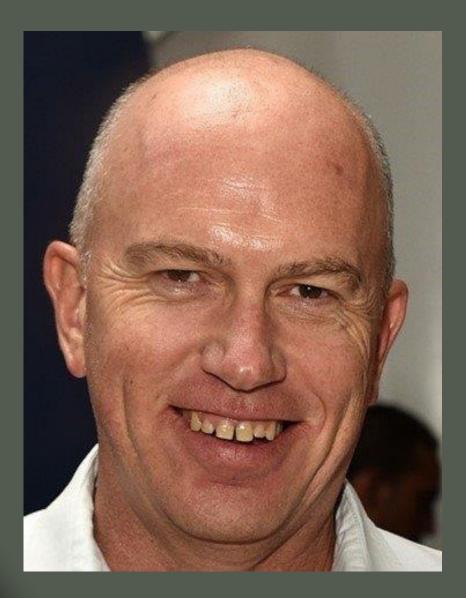
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MSA CHIEF EXECUTIVE OFFICER REPORT



MR. ADRIAN SCHOLTZ



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REPORT BY THE CHIEF EXECUTIVE OFFICER FOR THE MSA ANNUAL GENERAL MEETING TO BE HELD ON 20 AUGUST 2024

As MSA's chairman has alluded to in his report, the year to date in 2024 has been a challenging time for MSA, with more legal challenges to deal with in the first six months than would normally be the case in many years combined. Hopefully this is just a temporary aberration rather than the start of a trend that will be hugely damaging to both MSA and the sport.

The first half of 2024 has also been a sad time for local motorsport, with two deaths being recorded in separate motorcycle events. Rest in peace Leighton Thomas and Michael Pentecost.

With no international events taking place in SA this year, MSA and Rok Cup SA were proud to host the first African Karting Cup, which saw drivers from all around Africa competing in two different classes on an arrive-and-drive basis, with the FIA providing significant funding to enable this to happen. The event proved to be hugely successful and I again extend my congratulations to the event organisers on a job well done.

MSA is currently busy working with a systems developer to develop a new integrated online management system. This project will see a new online licensing system in 2025, with additional modules being added from time to time to streamline aspects such as event reporting, event documentation, race results and championships. The aim at all times will be to create a more user-friendly experience for competitors, race officials and race organisers.

I was fortunate enough to begin my motorsport career in 1990, when the sport was thriving with works teams and sponsors in plentiful supply. The world has changed a lot since then and so has motorsport. The motorsport environment is extremely challenging these days but hopefully the economy will start to take a turn for the better in view of the outcome of the national elections. The fact that the sport carries on, and at a relatively high level, is testament to the ongoing efforts of all those involved in it, from competitors to race officials to event organisers. Circumstances are not easy for anyone but the passion for the sport fortunately remains undimmed.

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Directors: A. Roux (Chairman), A. Scholtz (Chief Executive Officer), R. Beekum (Financial), Mrs. D Abrahams, Mrs. D. Ballington, K. Govender, Ms. T. Human, FC. Kraamwinkel, Mrs. S Labuscagne Jonck, M. Rowe, V. Maharaj (Executive), G. Waberski Honorary President: R. Schilling As you are all aware, I will reach the end of my term of office as MSA's CEO at the end of this year and hand over the reins to Vic Maharaj, ably supported by Jacqui Monteiro (Operations Manager), Samantha van Reenen (Sporting Services Manager: Cars, Karting & Legal) and Carmen Hill (Sporting Services Manager: Motorcycles). I have great confidence in this management team and wish them, the rest of the staff at MSA and the company itself, everything of the very best for the future.

As I wind down my full-time involvement in motorsport, I would like to take the opportunity of highlighting some individuals who have played a significant role in my career:

Beaulah Schoeman	My long-time boss at MSA, I learned so much from her about effective administration.
Richard Schilling	I have known Richard virtually my entire career and he has been a constant pillar of support.
Trevor Kilburn	The late Trevor Kilburn (affectionately known as TK) played a hugely significant role when AA Motorsport became MSA in 1995. Without his input MSA would have struggled to get going and I may never have had the long career I have been fortunate to have had.
Steve Miller	Steve was parachuted into the MSA Chairman role at the same time that I assumed the CEO role. His support was invaluable to me as I found my feet in my new role and I will forever be indebted to him for this.
Jacqui Monteiro	There was a period not so long ago when MSA had neither a Chairman nor a Sporting Services Manager in place so it was just me and Jacqui running the company. I don't know what I would have done without her support at the time and the same holds true to this day.
Maria Buys	The late Maria Buys was my 2IC when I was the Sporting Manager for karting and circuit racing. She was absolutely brilliant in this role before her life unfortunately spun out of control for a variety of reasons and she tragically passed away in 2019.
Anton Roux	Anton stepped in when MSA needed a Chairman heading into the FIA Congress at Sun City in 2019. His support and experience has been much appreciated by me since then.

From 2025 I hope to continue to be involved in the sport in some way as it has been my life for so long and I still have the love for it that all motorsport enthusiasts share and understand. At the very least, I intend attending some motorsport events to remain acquainted with the motorsport family.

I wish the sport, and all who play a role in it, a successful future and I can assure you that I will be cheering you all on from the sidelines.

M/htts

ADRIAN SCHOLTZ CHIEF EXECUTIVE OFFICER