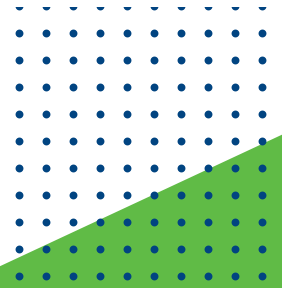




Thoroughbred Racing SA

Annual Report 2020



2020 Annual Report

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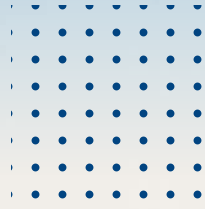
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Cover image:

King Of Leogrance (FR) | 2020 TAB Adelaide Cup
Trainer: Danny O'Brien | Jockey: Damian Lane
Photo: Bruno Cannatelli - Ultimateracingphotos.com.au



Toffee Tongue | 2020 Australasian Oaks
Trainer: Chris Walker | Jockey: Damian Thornton
Photo: Makoto Kaneko - The Rising Sun Photography



Business Overview

1

THOROUGHBRED RACING SA LTD
2020 Annual Report



About Us

Thoroughbred Racing SA Ltd (TRSA) is the governing authority for thoroughbred racing in South Australia (SA). Our purpose is to develop and grow thoroughbred racing in SA, ensure the integrity of our sport is protected and maintained, drive welfare initiatives and education for both our human and equine participants, provide adequate funding to our Clubs so they are able to deliver racing and training facilities and promote racing overall in order that the industry is viable and sustainable in the short, medium and long term.

Our Partnerships



Photo: Makoto Kaneko - The Rising Sun Photography

Our Vision

Thoroughbred Racing in South Australia is vibrant, accessible and sustainable and a major contributor to the economic and social fabric in South Australia.

Our Values & Brand



Integrity



Inclusive



Diverse



Entertaining



Transparency



Embracing



Sophisticated



Sincere



Innovative

Our Foundations



Sustainability



Integrity



Communication



Growth

2019/20 key Performance Highlights



Racing



Wagering

\$1.32bn

total turnover on SA thoroughbred racing

↑ 2.5%

\$163.8m

total Net Wagering Revenue on SA thoroughbred racing

↑ 16.2%

17.9% decrease in revenue from the SA TAB

6.7% increase in revenue from all other wagering service providers

74.879%

Record market share of SA TAB wagering

25 Clubs

170 TAB race meetings

1,347 TAB races

Programming and race dates reviewed and amended to drive increased fields - a major restructure in relation to this area was successfully implemented in December 2019

2.7% increase in average field sizes (6.5% since 1 December 2019)

14.3% decrease in races with 7 or less runners (30.6% since 1 December 2019)

Dare to Dream ownership promotion conducted, nearly

10,000 entries

250 new owners



Welfare & Education



Integrity

\$521k
on swabs

3,753
equine swabs

99.89%
of swabs negative

John Cornell
appointed as Industry
Welfare Officer

Increased
funding for Off The Track
Sponsorship

Partnership
with Pony Clubs for sponsorship
of ride to time events

Thoroughbred traceability
working party established
- outcome is to track
thoroughbreds post their
racing careers

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Chair & CEO Report on Operations

It is our pleasure to present the 2020 Annual Report for Thoroughbred Racing SA Ltd. (TRSA). The 2019/20 year has been the most challenging on record for the industry.

Thoroughbred Racing SA's 2020 Annual Report and 2019/20 Financial Statements are available on our website theracessa.com.au

During the course of the year the industry faced:

- An extremely challenging wagering environment across both the SA TAB and all interstate Wagering Service Providers and poor field sizes from July to November.
- Bushfires in SA and nationally in January and February impacting racing across the Country.
- COVID 19, which impacted the industry from 18 March onwards and continues to this day.
- Continued lobbying of the State Government for a greater share of the Point of Consumption tax to align SA with other States and provide the sustainability that the SA Industry requires.
- The completion of the integration of the UBET business into Tabcorp following the approval of the merger in November 2017.

It has been an unpredictable twelve months with the Industry operating in a very fluid environment since March 2020, yet we have come through in a sound position, both from a financial and racing perspective, and are well placed to face the ongoing challenges presented by COVID 19 into the new financial year.

Our thanks and gratitude especially go to:

- The State Government who quickly provided much needed additional funding assistance in the early stages of COVID 19;
- SA Police, in particular the State Coordinator and COVID 19 Coordinator and SA Health authorities for working with the Racing Industry and allowing us to continue during COVID 19.
- TRSA's Shareholders, the South Australian Jockey Club and Country Racing SA, who continued to operate racing and training facilities in the face of COVID 19;
- All racing Stakeholders who worked, and are continuing to work, collaboratively with TRSA to adapt to the challenges and requirements COVID 19 presented;
- Our wagering partners who have continued to strongly support and promote our sport;
- The Board, Management and Staff of TRSA who have guided the industry through uncharted waters to ensure the Industry is in a solid position to deal with the ongoing challenges ahead.

Financial Performance

TRSA reported a net operational deficit of \$1.991M. This is the result before Government funding, subsidies and expenditure against that funding and loan impairments changes to the valuation of investments. The total comprehensive result, being the result inclusive of the above, was a surplus of \$778K.

The sound financial result was due to TRSA moving decisively, and quickly, to offset and minimise the impacts of COVID 19 on revenue. The TRSA Board and Management made decisions, which ultimately proved successful in delivering revenue streams at a reasonable level.

Firstly, the Board resolved to proceed with the Autumn Racing Carnival, as originally programmed, so trainers could plan their horses program with certainty as well as continuing to allow horses to travel to SA from Interstate. Our thanks go to the SA Police and in particular their COVID 19 team for working with the industry and

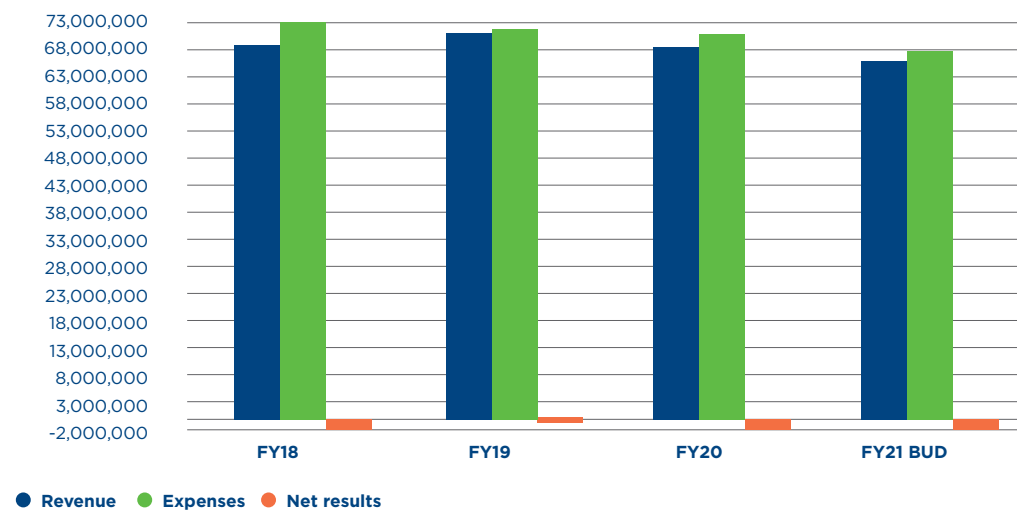
approving the horse movement protocols that facilitated the ongoing movement of race horses across borders.

Secondly, the Board decided to reduce prize money early. Prize money at regular race meetings outside of the Autumn Carnival were reduced by ten percent, other States reduced prizemoney by up to twenty percent. Further, \$1M was cut from the Autumn Carnival with all black type races conducted at benchmark prizemoney levels and all other races run at the reduced regular prize money levels.

Thirdly, a review of all other expenditure during COVID 19 was undertaken. TRSA reduced expenditure where possible including ceasing all interstate travel and Club marketing funding, as no patrons could be on course, planned activations were put on hold and a thorough review of all employee positions was conducted.

Organisations Operating Results

The chart below shows the organisations operating result for FY18 through FY20 and the FY21 Budget.

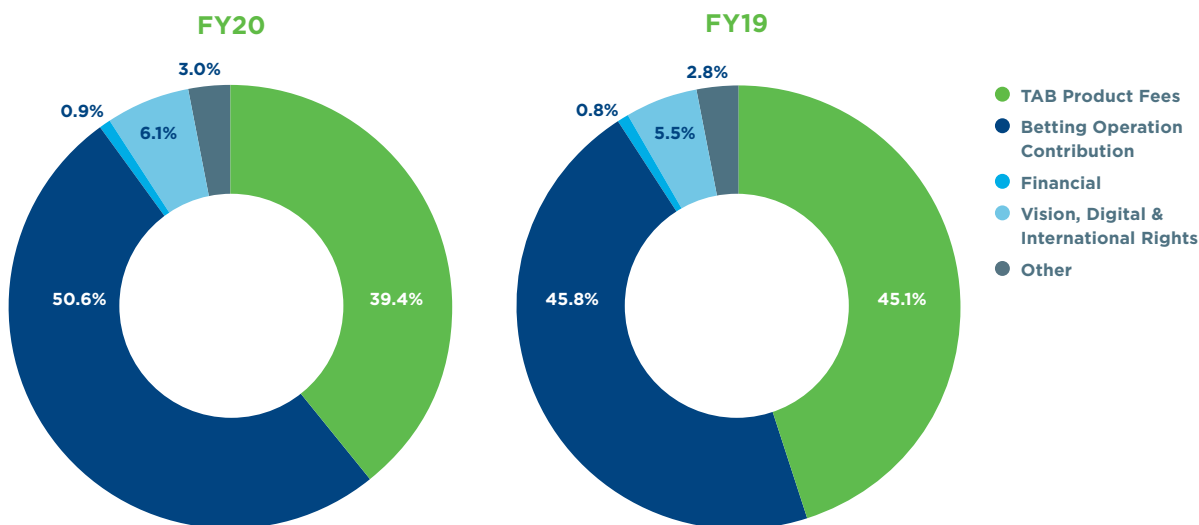


	FY18	FY19	FY20	FY21 BUD
Revenue	69,279,833	70,708,484	68,631,315	65,601,254
Expenses	74,361,273	71,469,864	70,622,283	67,529,321
NET RESULT	(5,081,440)	(761,380)	(1,990,968)	(1,928,067)

Net result is prior to any State Government funding or expenditure arising from State Government infrastructure grants

Revenue

The Charts below show the proportion of revenue for each class of revenue for the last two financial years



	FY20		FY19		Change	
TAB Product Fees	27,009,941	39.4%	31,854,323	45.1%	(4,844,382)	-17.9%
Betting Operations Contribution	34,705,817	50.6%	32,387,652	45.8%	2,318,165	6.7%
Financial	650,739	0.9%	564,204	0.8%	86,535	13.3%
Vision, Digital & International Rights	4,173,946	6.1%	3,895,375	5.5%	278,571	6.7%
Other	2,090,872	3.0%	2,006,930	2.8%	83,942	4.0%
TOTAL	68,631,315		70,708,484		(2,077,169)	-3.0%

Other revenue includes; SABOIS registration fees, industry participants registration fees, calendar advertising and subscriptions (The Races) together with other sundry revenue items.

Revenue

Total operational revenue was down 3%, \$2.077M, on the prior year largely due to the decline in product fees received from the SA TAB.

The SA TAB faced an extremely difficult trading environment following the closure of all retail agencies from 27 March through to 11 June and licensed venues from 23 March through to 20 June. The venues had various patron restrictions in line with the COVID 19 Safe requirements upon re-opening in June, which affected revenue on recommencement of trading. The SA TAB derives the majority of its revenue from retail venues compared to digital, as opposed to other States, which are closer to a 50/50 split between retail and digital.

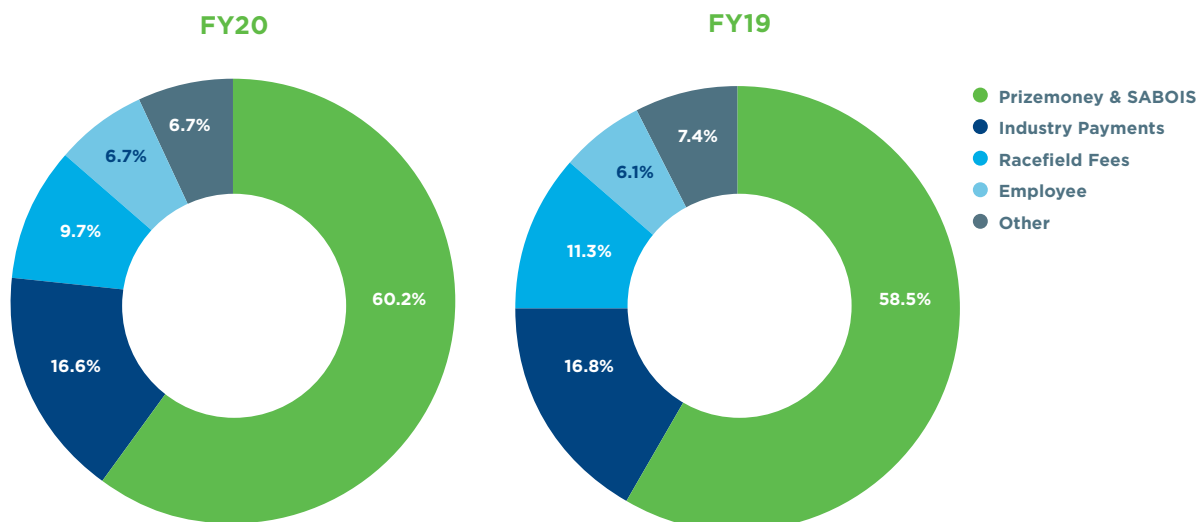
Total distributions from the SA TAB were down 17.9%, \$4.844M.

Offsetting the reduction in distributions from the SA TAB, to an extent, was an increase in revenue from Betting Operation Contributions (BOC) from interstate Wagering Service Providers (WSP). Revenue from WSP's was up 6.7%, \$2.318M. TRSA's derives BOC revenue equally between interstate TAB's and online operators. Racing was the only live sport in Australia for a significant period, and one of a few to continue internationally, during the initial stages of COVID 19 in Australia and this drove an increase, far in excess of anticipation, for the online operators in particular.

The increase in wagering activity from the online operators also drove an increase in revenue derived from digital and international vision rights, which was up 6.7%, \$279K.

Expenses

The Charts below show the proportion of expenses for each department for the last two financial years



	FY20		FY19		Change	
Prizemoney & SABOIS	42,500,758	60.2%	41,788,370	58.5%	712,388	1.7%
Industry Payments	11,752,251	16.6%	12,029,541	16.8%	(277,290)	-2.4%
Racefield Fees	6,881,276	9.7%	8,053,347	11.3%	(1,172,071)	-17.0%
Employee	4,730,665	6.7%	4,336,614	6.1%	394,051	8.3%
Other	4,757,333	6.7%	5,261,992	7.4%	(504,659)	-10.6%
TOTAL	70,622,283		71,469,864		(847,581)	-1.2%

Expenditure

Total operational expenditure was down 1.2%, \$848K, on the prior year largely due to a decline in interstate race field fees paid. This is a direct result of the revenue from the SA TAB being down. Wagering on other States racing through the SA TAB was down for the full year, and by an increased amount once COVID 19 affected Australia, causing a reduction in the race field fees paid by the SA TAB and passed onto the industry in accordance with the Racing Distribution Agreement.

Prize money and SABOIS payments were up 1.7%, \$712K. However, the planned increases to prize money in FY20 following the 2019-23 stimulus package provided to the racing industry by the State Government in June 2019 was 14.3%, a total of \$5.8M, which the industry was on track to deliver. The cuts

required to reduce the impact of COVID 19 on TRSA's revenue meant the planned increases to prize money could not be delivered.

Industry payments, grants and payments to Clubs for operational, training, race day promotion and capital works plus jockeys work cover and race day staff provided by TRSA were down 2.0%, \$235K. This included a reduction in industry funded capital grants to Clubs of 69.8%, \$1.089M. Excluding the reduction in capital grants, industry payments increased by 7.2%, \$854K.

State Government

TRSA gratefully acknowledges the ongoing support of the State Government. It is clear that there is recognition of the economic and social contribution to the community by racing.

As detailed last year, for the first time there is a medium-term annual funding package for the Racing Industry provided by the State Government. Infrastructure projects, funded by the Infrastructure Grant as part of this package, are moving towards completion.

The Minister for Recreation, Sport and Racing, the Honourable Corey Wingard, opened the equine pool at Gawler in June 2020. Other completed projects include a new kitchen at Oakbank, the refurbishment of patron facilities at Clare and the supply of portable toilets for Kangaroo Island.

The industry looks forward to the completion of the remaining approved projects in FY21.

These include:

- On course stables at both Morphettville and Gawler
- Improvements to training facilities at Strathalbyn
- New vet and swabs stalls at Port Lincoln
- Uphill sand gallop at Murray Bridge
- Refurbishment of the racing surface at Port Augusta

TRSA continues to have discussions with the State Government on the funding model for racing including a greater share of the Point of Consumption Tax (POCT) for the racing industry and ongoing infrastructure funding for major projects. A formal submission has been submitted to the State Government in relation to these matters.



Gawler Equine Pool Opening
Gary Searle Trainer, John Hatch President
Gawler and Barossa Jockey Club, Hon. Corey
Wingard MP and Nick Redin TRSA CEO.

Wagering

It has been an exceptionally challenging year for wagering. The industry has faced a series of events not seen before and events which could not have been anticipated. Most notably, for a significant period once COVID 19 established its presence in Australia, racing across the three codes in Australia was the only live sport that people were able to watch and could place wagers on. Bettors, accustomed to wagering on sports, had no other option if they wanted to bet than to wager on racing. A situation that has never presented itself before and, hopefully never will again.

During the first half of the year, wagering was below expectations. TRSA attributes this to field sizes being down, possibly due to not aligning our programming with the active horse population. As noted below under Racing, a resource was engaged to undertake a full review of our horse population and programming that aimed to increase field sizes.

This work was completed and changes were made to programming that became effective in December 2019 that resulted in an increase in average field sizes and subsequent growth in wagering, in particular across the online WSP's, during COVID 19.

Following the new model offered to all WSP's from FY20 that incentivised WSP's to grow their turnover and revenue on SA thoroughbred racing, in FY20 TRSA also made changes to its Betting Operations Contribution Agreement. These changes placed SA thoroughbred racing as the most competitive product on the betting exchange. The aim of this initiative was to activate both the exchange and drive an increase in wagering across all WSP's. The new model is in its early stages, but is already showing positive signs.

Despite the challenges faced, with the changes to race programming and, the new model in place for the betting exchange, total wagering on SA thoroughbred racing for the year was \$ 1.33B across all WSP's including the SA TAB. This represents an increase of 2.5% on the prior year. Net Wagering Revenue increased 16.2%, \$33.6M. A sound result in the circumstances.



Photo: Meaghan Coles

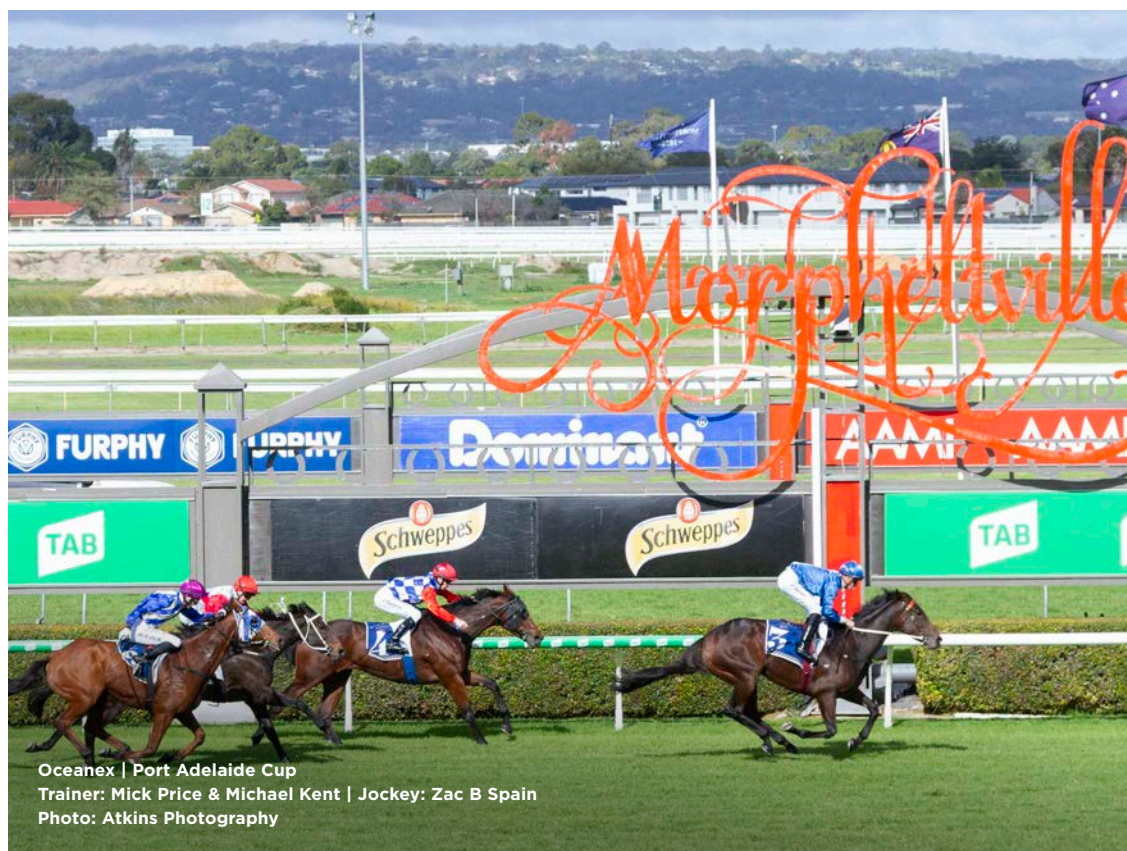
Racing

As noted above, racing in SA had faced reduced average field sizes across the last few months of FY19 and the first months of FY20. TRSA engaged experienced racing administrator, Vaughn Lynch, to undertake a full review of the horse population and programming, both race meetings and races, in SA to ascertain why average field sizes were in decline.

The outcome of the review has delivered racing programming that has better matched the active horse population, the Racing Department working closer with the SA Branch of the Australian Trainers Association, greater programming flexibility allowing changes to programs to be made closer to race meetings and strategically expanding to nine races every Saturday and seven on Wednesday meetings. These changes commenced in December 2019 with the final changes implemented by the end of January 2020.

For the whole of FY20, the average field size at TAB meetings increased by 0.2 runners per race, 2.7%. For the seven months from December 2019 to June 2020, the average runners per race at TAB meetings increased by 0.6 runners per race, 6.8% and races with seven runners or less decreased by 85, 30.5%.

A review was also undertaken of a number of black type races to try to place them in a more suitable position in the racing calendar. Of particular note was the successful change made to the Port Adelaide Cup. The race was brought forward two weeks and following work undertaken with Racing Victoria, the winner was granted ballot exemption for the Andrew Ramsden Stakes. The winner of the Andrew Ramsden Stakes receives ballot exemption in the Melbourne Cup. The winner of the Port Adelaide Cup, Oceanex subsequently won the Andrew Ramsden Stakes and has been entered in the Melbourne Cup with a start guaranteed.



Oceanex | Port Adelaide Cup
Trainer: Mick Price & Michael Kent | Jockey: Zac B Spain
Photo: Atkins Photography

Other highlights and events of note from the racing season included:

- King of Leogrance winning the Adelaide Cup on 9 March 2020, racing was closed to essential people only nine days later.
- The much-anticipated first race meeting conducted at the new Murray Bridge track on 23 July 2019 and the ongoing extremely positive performance of the track.
- SA Trainers Will Clarken, Bella Vella (TAB Classic - Morphettville), Gordon Richards, Gytrash (Black Caviar Lightning - Flemington) the training partnership of Tony and Calvin McEvoy, Hey Doc (Winterbottom - Ascot) all training their maiden Group 1 winner.
- Long-time race caller Terry McAuliffe hanging up the binoculars, but remaining on the mic as he joined James Jordan on the Adelaide racing.com team following Adam McGrath relocating to Melbourne.
- Jump outs filmed at all venues and the vision placed on the TRSA website.
- Apprentice Jerry Chau returned to Hong Kong early and made a dream home debut at Sha Tin on Saturday, 9 May 2020. He was first past the post not once but twice just five days after teaming up with his new boss, Douglas Whyte.
- The launch of a new carnival for Oakbank across three days that unfortunately was abandoned before it started due to COVID 19 restrictions. The new carnival will be reinvigorated in 2021.
- The establishment of two mini breaks in racing at Morphettville in January and in June/July with the meetings held at Gawler and Murray Bridge and, the Saturday after the Autumn Carnival in May held at Murray Bridge.

The decision to maintain the Autumn Carnival with the original program in the face of COVID 19 proved to be a masterstroke. The 2020 Carnival was widely acclaimed as one of the best, if not the best, on record. The calibre of horses seen across the three weekends was extremely high with all major stables from Victoria represented as well as Chris Waller and James Cummings, who had Godolphin's biggest team from New South Wales present in recent years.

Due to there being no other live sport at the time, the three weekends of the Carnival were broadcast free to air live on the main Channel 7 station as well as racing.com.

The Carnival started with locals Gytrash and Sunlight meeting in the RN Irwin Stakes and continued at a similarly high level for the ensuing three weeks.

There will be many horses to follow from the Adelaide Carnival including locals:

- Behemoth, Bella Vella, Extra Time, Garner, Gytrash, Kemalpassa and Xilong as well as the following interstate horses who competed at Morphettville in May;
- Away Game, Home of the Brave, Jungle Edge, Lyre, Moonlight Maid, Oceanex, Realm of Flowers, Russian Camelot, Seabrook, Secret Agenda, Toffee Tongue, Trekking, Warning and Viridine.

Our thanks go to the riders from Victoria who elected to relocate to South Australia and undertake the mandatory 14 day self-isolation so they could ride in the Carnival.

To all the South Australian and Interstate participants, trainers, owners, jockeys, stable and race day staff who have worked to ensure racing has been able to continue during COVID 19 our sincere thanks and gratitude go to all of you for keeping racing going in extremely difficult circumstances.



Mel McDonald

Welfare & Education

The Industry took an important step in improving rider welfare and wellbeing with the announcement of the maternity leave payment (MLP) for full time licensed female riders.

The MLP is available to eligible female riders who are restricted under the Australian Rules of Racing from undertaking their normal duties as a jockey due to pregnancy. The MLP applies from the beginning of the second trimester through to the birth of the child and was introduced to remove an obstacle to females choosing a career in the thoroughbred racing industry.

During the year, the Industry strengthened its commitment to thoroughbred welfare.

TRSA created the role of Equine Welfare Officer and subsequently appointed highly respected horseman, John Cornell, to that role.

The Equine Welfare Officer will work alongside TRSA stewards and will be responsible for the tracking and traceability of thoroughbreds from birth, throughout their racing career and beyond. The role will also respond to welfare concerns, provide proactive industry education on welfare best practice, and help to improve the transition of thoroughbreds into retirement and careers after racing.

The role was created with the invaluable support of the State Government with the industry stimulus package providing funding towards the costs for the first year.

During the year, TRSA announced that from 1 July 2020, 1% would be deducted from prize money and the funds used for further welfare and education initiatives.

TRSA has also expanded its Off the Track Program entering into a sponsorship agreement with Pony Club SA for riders that compete with retired race horses. The sponsorship includes a series of ride to time events.

The ongoing welfare of thoroughbreds and the education of our participants in best welfare practices remains a key focus for TRSA.



Industry Development

There has been an increased focus on attracting new owners into the Industry. To facilitate this, TRSA launched a new ownership program, Dare to Dream.

A State-wide competition was run where people that did not currently own a racehorse could enter to win. The outcome is there are now 25 new syndicates containing 250 South Australians owning racehorses with five of the state's top stables for the next two years.

The aim of the Dare to Dream promotion is to engage and educate new people in racing.

The horses have run with varying success, but there have been winners across SA for the majority of syndicates, including a win in Port Lincoln and an interstate win in Melbourne.

TRSA has committed to implementing a Customer Relationship Management platform that will enable the organisation to communicate more effectively with all our Stakeholders. The project is underway and expected to be completed in late October / early November 2020.

Farewell

This year, long serving CEO, Jim Watters, and his Executive Assistant, Ann Van Trigt both announced their retirements. Jim stepped down from the CEO's role on 1 March 2020 to commence a hand over to incoming CEO Nick Redin. Jim and Ann's last day with TRSA was 3 July 2020.

Ann's contribution to the Industry has been invaluable. Ann had twenty-one years of service with TRSA and was the Executive Assistant to six CEO's. She was well known and respected by all Clubs.

Jim was CEO for eleven years.

We thank both Jim and Ann for their invaluable service over their time at TRSA and wish them both all the best for the future.



During Jim's tenure ...

- New racecourse and facility developments at Gawler, Bordertown, Mt Gambier and Murray Bridge were undertaken. He negotiated the surplus land sale at Gawler following the redevelopment and oversaw the subdivision of surplus land at Mt Gambier.
- He was instrumental in negotiating the broadcast arrangement that resulted in South Australian racing broadcast on free to air on racing.com at the same time ensuring our vision was still broadcast on Sky Racing.
- The Autumn Racing Carnival was reformatted and the in-house marketing department was re-established.
- Prize money and club funding was increased progressively and very significantly during Jim's term of office.
- He also lobbied Government constantly on behalf of the Industry and was successful in getting a four-year funding commitment for the Racing Industry in 2019.

(This page) Nick Redin, TRSA CEO and Jim Watters, outgoing TRSA CEO.

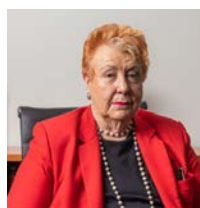
(Opposite page) Gawler & Barossa Racing Club
Photo: Meaghan Coles

Looking Forward

Despite the ongoing impact of COVID 19, TRSA continues to focus on the following strategic objectives over the next and subsequent years;

- Strengthening Government relations to demonstrate the economic and social benefits of a strong racing industry in SA.
- Continued development of the racing program to maximise field sizes and wagering returns.
- Strengthen welfare practices and standards across the State by delivering ongoing education to participants and implementing new infrastructure.
- Ongoing reductions in the cost of having race horses trained in SA.
- Delivering improved training infrastructure.

Finally, we would like to take this opportunity to thank the Board of TRSA, the Management and Staff at TRSA for their ongoing efforts and commitment in ensuring we have a vibrant and sustainable industry.



Frances Nelson QC
Chairman



Nick Redin
Chief Executive Officer





Bella Vella | 2020 Robert Sangster Stakes
Trainer: Will Clarken | Jockey: Todd Pannell
Photo: Makoto Kaneko - The Rising Sun Photography

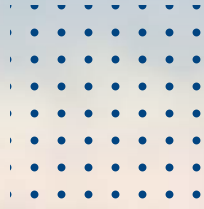
Operational Structure

The organisational structure of TRSA is based on a corporate model comprising a number of divisions that oversee the varying activities of the organisation.





Trekking | 2020 Goodwood Winner
Trainer: James Cummings | Jockey: John Allen
Photo: Makoto Kaneko - The Rising Sun Photography



Integrity Report

2

THOROUGHBRED RACING SA LTD
2020 Annual Report



Chairman of Stewards' Report



Johan Petzer
Chairman of Stewards

The Stewards Department's functionalities in managing and maintaining integrity in the industry included sampling of horses and participants, inquiries and investigations, non-race day surveillance, licensing and registration functions, and race day and trial management, including veterinary services.



Justin_Ho

The close working relationship with the Hong Kong Jockey Club, in respect of the training of apprentice jockeys, continued during the season under review and the TRSA Apprentice Academy continued to operate during the COVID 19 restrictions by utilising video link facilities for the delivery of the program.

In February 2020 the Hong Kong Jockey Club also placed one of their Cadet Stewards – Mr Justin Ho, on secondment with the TRSA Stewards department for further training and development for a period of twelve months.



Strathalbyn Racing Club
Photo: Meaghan Coles

The department also had to engage its own resources in assisting with the management of protocols, procedures and practices associated with the management of the COVID 19 restrictions. To this end the department had a greater frequency of attendance at track work sessions at training facilities to ensure compliance with COVID 19 regulations, and managed additional tasks at race meetings. I would like to express my sincere appreciation to the staff for their tireless and unrelenting commitment to not only the tasks normally associated with the department but also in respect of the additional demands owing to COVID 19.

Key Data

In total, the Department recorded four (4) prohibited substance matters during the racing season relating to samples taken from horses which participated in races. The prohibited substances detected in these cases included; Arsenic (x2), Metformin and Meloxicam.

Swabbing

Horse samples tested during the year:

sample type	2019/20	2018/19	2017/18
Post-race urine / blood samples	1235	1270	1419
Pre-race blood samples (TCO2)	1398	1499	1460
Post-race blood samples (TCO2)	1	11	5
Pre-race blood / urine samples	1051	878	847
Post-trial samples	9	11	11
Non-Race Day samples /OOC	59	24	126
Number of positive tests	4	8	4
Total Samples	3753	3701	3868

Banned Substances (Human)

Testing of racing participants to ensure the safety of all riders, other participants and horses participating in the industry continues to be important and the sampling activity for the past three racing seasons are detailed in the table below;

sample type	2019/20	2018/19	2017/18
Number of Samples (Urine)	21	35	75
Number of Samples (Breathalyser)	105	240	116
Number of Samples (Saliva)	65	107	-
Number of positives	6	3	10
Total Samples	191	382	191

Disciplinary and related matters

There were 52 Careless Riding charges issued which resulted in a suspension of licence to ride in races. There was also one (1) charge issued under the rule relating to a rider failing to take all reasonable and permissible measures during the race. The department continues to take a firm approach in respect of riding related matters to ensure riders ride in a safe and competitive manner and that the integrity of races are maintained. The graph below illustrates the Department's activity in respect of Careless Riding matters over the past 17 racing seasons.

Number of suspensions per racing season

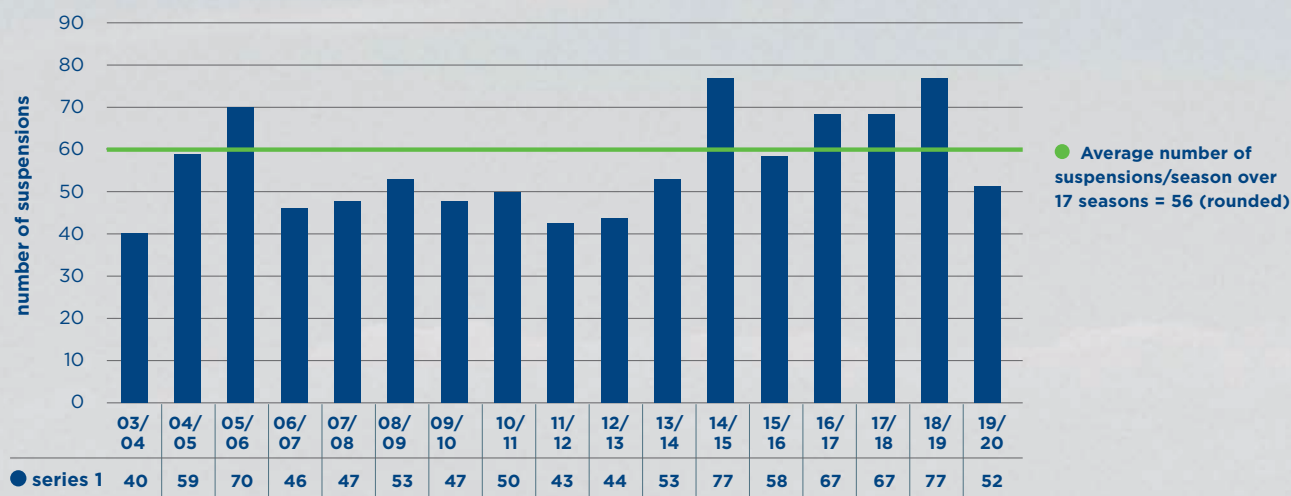


Photo: Meaghan Coles

Licensing & Registration:

The following licences/registrations were processed by the Department under delegated authority from the TRSA Board.

licenced /Registration Type	2019/20	2018/19	2017/16
Trainers	251	251	294
Jockeys	28	29	40
Apprentices	17	13	17
Interstate Jockeys	35	43	64
Interstate Apprentices	21	22	23
Stablehands	482	320	537
Stablehands/ Trackwork Riders	146	90	140
Total	980	768	1115

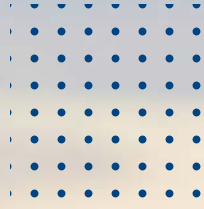
Deputy Registrar

The Department acted as Deputy Registrar for South Australian registration functions, and processed the following Transfers, Leases and Syndicates, in respect of race horse ownership.

Transfers, Leases & Syndicates	2019/20	2018/19	2017/16
Transfers	561	569	501
Leases	119	127	196
Syndicates	109	88	78
Total	789	784	775



Russian Camelot | 2020 South Australian Derby
Trainer: Danny O'Brien | Jockey: John Allen
Photo: Makoto Kaneko - The Rising Sun Photography



Financial Report

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THOROUGHBRED RACING SA LTD
2020 Annual Report

Directors' Report

The Directors present their report together with the Financial Report of Thoroughbred Racing SA Limited ("the Company") for the year ended 30th June 2020 and the Auditor's Report thereon.

Directors The Directors of the Company during the financial year were:



Ms Eleanor Frances Nelson

QC LLB Chair

Frances is a Barrister. A leading figure of this States' legal establishment, Frances has been Chair of the Parole Board of SA since 1983. Frances rode trackwork to put herself through university, has competed as an amateur jockey and has won several feature races as a trainer. She has also chaired two major inquiries into South Australian racing and the betting industries. Frances was Deputy Chair of Racing Australia from 2014-2016 and Chair from 2016-2020. During that period she was Vice Chair of the Asian Racing Federation and still serves as the nominee of that body to a sub-committee of the International Association. She continues to attend Executive Council of the International Federation of Horse Racing Authorities where she is a Member of the Governance Review Committee. She currently chairs the Australian Pattern and Development Committee and the National Jockey Welfare Committee. Frances is a member of the South Australian Jockey Club Inc and the Oakbank Racing Club Inc.

- Chair - Race Dates Committee
- Chair - Management Performance & Remuneration Committee
- Chair - Jumps Committee
- Member - Finance Committee



Mr David Rasheed

**BA (Acc), CA, CTA
Deputy Chair**

David is a Chartered Accountant and is one of the Founding Partners of Tillbrook Rasheed Chartered Accountants. He is involved in the industry as an owner and breeder and has served on the Board of the South Australian Jockey Club. He holds board positions on a number of privately owned companies. David is a member of the South Australian Jockey Club Inc.

- Chairman - Finance Committee
- Member - Race Dates Committee
- Member - Management Performance & Remuneration Committee



Mr Grant Harrison

Grant is the former General Manager of the SATAB (8 years) having been employed there for 25 years. He has a Bachelor of Business and Associate Diploma of Marketing from University of South Australia. He is a member of the Australian Institute of Company Directors. He also has extensive experience in sports administration having been on the Gymnastics Australia Board for 12 years, the last three as President. He has also been a Board Member of the Australian Olympic Committee and is a current Director of the Commonwealth Games Australia. He was a Board member of the Southern Football league for 5 years and Chairman of Gymnastics South Australia for 10 years.

- Chairman - Marketing Committee
- Chairman - Governance Committee
- Member - Finance Committee



Mrs Julie Ryan

LLB (Hons) B.Com

Julie is a current practicing lawyer, and an experienced corporate legal counsel and company secretary, with a particular interest in governance and strategy. She is currently the CEO of Retail Drinks Australia, the national industry body representing the rights of off premise liquor retailers. Before joining Retail Drinks, Julie was a director of the Winemakers Federation of Australia, and on the executive management team of a global wine company where she had a broad responsibility covering global legal services, government affairs, company secretarial and risk. Julie is also a director of National Association of Women in Operations.

- Member - Governance Committee



Rob Rorrison

Appointed October 2019

Rob is a Senior Advisor for Taylor Collison, Executive Chairman of Climate Capital Pty Ltd and a Non Executive Director of Baiyin International Investments Limited. He commenced his career as a Chartered Accountant, specialising in the Insolvency and Restructuring businesses. He joined Macquarie Group's Investment Banking business where he worked for 25 years, including as Chairman, Asia Resources for Macquarie Capital's Asian Investment Banking business. Over his career Rob has worked across Finance, Capital Markets, M&A, Principal Investments and Corporate Restructuring businesses in Australia, Asia and the UK. He also previously served on the South Australian Jockey Club Board.

- Member - Finance Committee



Cos Cardone

Appointed October 2019

Cos Cardone is the Chief Executive Officer of McGuire Media - one of Australia's largest independent producers of sport and sport entertainment for Australia's leading FTA and PAY TV Networks. He has been a Director of the Port Adelaide Football Club since 2012 and is Chairman of the Club's Brand and Marketing Committee. He was previously Director of Sport and Head of Entertainment for the Nine Network Australia.

- Member - Marketing Committee
- Member - Management Performance & Remuneration Committee



Brett Dixon

Appointed October 2019

Brett has been on the board of the Darwin Turf Club since 2002 and was elected as 12th Chairman of the Darwin Turf Club in 2008, following 3 years as Vice-Chairman. He is the Director of several successful companies and brings significant business and leadership credentials to the role of TRSA director.

- Brett has a passion for thoroughbred racing and has been involved in breeding horses for the over 15 years.

Directors continued

The following Directors of the Company retired during the financial year:



Mrs Judith Jones

Retired October 2019

Judith currently consults to Local Government in South Australia, specialising in governance. She has significant experience in the racing industry and was Chairperson of the Gawler and Barossa Jockey Club for five years and a member of the South Australian Racing Clubs Council for four and a half years. Was a joint proprietor of a large education and pre-training centre for thoroughbreds, and breeds and races thoroughbreds. She was previously Chief Executive Officer of The Barossa Council for ten years, acting Chief Executive Officer for a number of Councils as well as the East Waste Management Authority, and a Board member of Zero Waste SA.

- Member - Remuneration Committee
- Member - Race Dates Committee
- Member - Governance Committee



Mr Iain Evans

Retired October 2019

Iain is a former Racing Minister and worked with Racing to abolish the Government Racing Boards and establish Industry based Boards. He served in the State Parliament for 21 years including 5 years as a Minister. He was Leader and Deputy Leader of the Opposition. Prior to politics he operated a family retail and building business. He now works as a Company Director and is Chair of Lenswood Cold Stores Co-operative Society Ltd and is a Director on the Citrus Australia Board. Iain's other Directorships include;

- Chairman of the Northern Zone Rock Lobster Fisherman's Association Inc
- Associate Director Voyages Indigenous Tourism Australia Ltd
- Director Wana Ungkunyitja Pty Ltd (Anangu Jobs)
- Director Crime Stoppers SA
- Member - Marketing Committee



Mr Steve Kelton

Retired October 2019

Steve joined TRSA having served 6 years as a Board member of the SAJC. The Kelton family has been closely involved with racing for more than 70 years. Steve's background is in the executive management of education and training. He works part time as a consultant specialising in leadership development and change management. He is active in Vinnies and as a member of State Council provides leadership and coordination in the Southern Region. He is a Justice of the Peace working in Courts and in the community.

- Member - Race Dates Committee

TRSA Sub-Committees

Finance & Audit	Racing	Marketing
David Rasheed - Chair	Frances Nelson - Chair	Cos Cardone - Chair
Frances Nelson	David Rasheed	Brett Dixon
Grant Harrison	Brett Dixon	Nick Redin
Rob Rorrison	Nick Redin	Michelle Greene - attendee
Nick Redin	Vaughn Lynch	
	Rhett Cook	

Governance	Jumps Review Panel	Management Performance & Remuneration
Grant Harrison - Chair	Dr Peter Horridge	Frances Nelson
Julie Ryan	Denis Edmonds	David Rasheed
	Andrew Hayles	Cos Cardone

Company Secretary

The secretary of the Company at the end of the financial year was: Mr Nicholas Redin BSc (Acc). Nick is the Chief Executive Officer of Thoroughbred Racing SA Ltd



COVID 19 social distancing at Morphetville

Principal Activities

The Company is a company limited by guarantee.

The company is the Controlling Authority for thoroughbred racing in South Australia. The principal activities of the Company during the course of the financial year were to:

- (a) Regulate and control all aspects of thoroughbred horse racing including funding distribution, licensing, ownership, employment and participation;
- (b) Employ the personnel required to conduct race meetings and horse races;
- (c) Ensure the integrity of thoroughbred horse racing;
- (d) Effectively market and manage the South Australian Thoroughbred Racing brand; and
- (e) Prepare and implement plans and strategies for the management of the financial affairs of the thoroughbred horse racing code and for the development, promotion and marketing of the code in the state of South Australia.

General Operations

The general operations of the company are to:

- (a) Receive distributions from UBET SA Pty Ltd from wagering on thoroughbreds in South Australia;
- (b) Negotiate arrangements with and receive payments from both intrastate and interstate wagering operators, other than the UBET SA Pty Ltd, that take bets on thoroughbred races conducted in this State;
- (c) Employ the personnel required to regulate the industry, plan and programme race meetings, conduct race meetings and remunerate participants in thoroughbred horse racing and to provide Work Health and Safety assistance to Clubs;

- (d) Determine the allocation of industry funding from revenue received including Club infrastructure works and capital expenditure;
- (e) Make payments of prize money to owners, trainers and jockeys;
- (f) Market South Australian thoroughbred racing both inter and intra state;
- (g) Provide financial support and management assistance to thoroughbred racing Clubs throughout South Australia;
- (h) Negotiate vision rights, both domestic and international, with broadcasters for thoroughbred races;
- (i) Represent the South Australian industry's relationship with the Racing Australia Board and other controlling authorities throughout Australia;
- (j) Manage the industry's relationship with the State Government, primarily through the appropriate Ministers;
- (k) Conduct the operations of the South Australian Apprentice Jockeys Academy and;
- (l) Manage and administer the WorkCover claims for all injured licensed jockeys and apprentices.

There were no significant changes in the nature of the activities of the Company during the year.

Review and Results of Operations

Review of Operations

The company's operating deficit for the year was \$1,990,966. Total comprehensive income was a surplus of \$822,176.

Dividends

The Company's Constitution prohibits the payment of dividends.

State Of Affairs

In the opinion of the Directors, no significant changes in the Company's State of Affairs occurred during the year.

Events Subsequent to Balance Date

There are no event subsequent to Balance Date.

Likely Developments

The Company will continue to strive to improve the viability of thoroughbred racing in South Australia and the returns to industry participants. Whilst this will not alter the direction of the company's activities, particular initiatives that are being pursued include the following:

- Ongoing discussion with major political parties on the size and importance of the Racing Industry in South Australia.
- An increased commitment from the South Australian Government for ongoing support following the introduction of the Betting Operations Tax.
- Delivery of on course stabling at Morphettville and Murray Bridge.
- Continued development of race programs and handicapping practices aimed at growing starter numbers and driving an increase in wagering revenue.
- Develop initiatives aimed at improving both the race fields and attendances at Metropolitan, Provincial and Country race meetings.
- Deliver initiatives aimed at increasing the number of owners in SA.
- Work with Syndicators to increase the number of horses racing in SA.
- Continue to work with Clubs to ensure there is efficiency across the administration, marketing and track management functions including the further provision of financial management and reporting and assistance with work, health and safety matters and infrastructure projects.
- Continued education, development and support for retired thoroughbred racehorses.

Directors' Meetings

The numbers of meetings of the Board and Board Committees and the attendances of each Director are set out in the following table:

Director	Board	Finance	Marketing	Racing	Management Performance & Remuneration	Governance
Ms E Frances Nelson QC	12	2		1	1	
Mr David Rasheed	12	2		1	1	
Mr Grant Harrison	12	2				5
Mrs Judith Jones*	4			1	1	5
Mr Iain Evans*	4					
Mr Steve Kelton*	4			1		
Mrs J Ryan*	12					5
Mr C Cardone*	8					
Mr B Dixon*	8					
Mr R Rorrison*	8	1				
Total Meetings Held	12	2	0	1	1	5

*Mrs J Jones and Messers I Evans and S Kelton retired by rotation in October 2019 and were eligible to attend 4 Board Meetings. Messers C Cardone, B Dixon and R Rorrison were appointed in October 2019 and were eligible to attend 8 Board meetings.

Ms Nelson QC is the Thoroughbred Racing SA Ltd nominated Director for Gifford Hill Pty Ltd, the joint venture company formed for the wider Murray Bridge Development.

Other Matters

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for the financial year ended 30th June 2020.

contract as such disclosure is prohibited under the terms of the contract.

Dated at Adelaide this 1st day of October 2020.

Insurance of Officers

The Company has paid insurance premiums in respect of Directors' and Officers' Liability insurance contracts for current Directors and Officers.

Signed in accordance with a resolution of Directors:

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability



E F Nelson QC
Director

Auditor's Independence Declaration



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THOROUGHBRED RACING SA LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
ABN: 38 280 203 274

G.W. Martinella

G.W. Martinella
Partner

Dated this 1st day of October, 2020.

ACCOUNTANTS & ADVISORS
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Adelaide SA 5001
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(WB016_2007)



The accompanying notes form part of these financial statements.

Financial Statements

For the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

		2020	2019
	Note	\$	\$
Revenue	2	67,980,576	70,144,280
Financial income	4	650,739	564,204
Prizemoney & Unplaced Subsidies		(41,143,906)	(40,519,270)
SABOIS Bonuses		(1,356,850)	(1,269,100)
Industry payments	5(a)	(11,752,251)	(12,029,541)
Interstate Racefield Fees Paid		(6,881,276)	(8,053,347)
Employee expenses		(4,730,665)	(4,336,614)
Depreciation expense		(510,595)	(310,667)
Legal & Professional Fees		(250,073)	(411,650)
Financial Expenses	5(b)	(150,874)	(88,373)
Other expenses	5(b)	(3,845,791)	(4,451,302)
Net Surplus/ (Deficit) from operating activities		(1,990,966)	(761,380)
Loan Impairment - Mt Gambier Racing Club Inc.		(125,799)	(171,000)
State Government COVID 19 Assistance Grant	3	2,197,000	-
State Government 2019/23 Racing Industry Fund	3	2,598,949	5,393,000
Federal Government Assistance		502,500	-
State Government Funded Infrastructure Projects		(2,403,685)	-
Net Surplus / (Deficit) for the year		777,999	4,460,620
Other Comprehensive Income:			
Net fair value gain on re-measurement of investments in equity securities available-for-sale		(80,572)	24,614
Revaluation of Investment in Racing Australia Ltd		124,749	209,697
Total Comprehensive Income for the year		822,176	4,694,931

The accompanying notes form part of these financial statements.

Financial Statements

For the year ended 30 June 2020

Statement of Financial Position

	Note	2020 \$	2019 \$
Assets: Current assets			
Cash and cash equivalents	6	15,098,692	13,131,500
Trade and other receivables	7	4,917,091	6,816,095
Other assets	8	88,190	102,707
Total current assets		20,103,973	20,050,302
Non-current assets			
Plant and equipment	9	734,043	885,477
Financial assets - Investments	10	12,785,331	11,771,852
Right of use Asset	11	1,248,256	-
Total non-current assets		14,767,630	12,657,329
Total assets		34,871,603	32,707,631
Liabilities: Current liabilities			
Trade and other payables	12	2,879,110	2,757,352
Provisions	13	823,885	765,434
Other liabilities	14	405,851	431,574
Lease Liabilities	16	155,354	-
Total current liabilities		4,264,200	3,954,360
Non-current liabilities			
Provisions	13	46,910	43,937
Other liabilities	14	976,914	1,082,364
Financial Liabilities	15	5,000,000	5,000,000
Lease Liabilities	16	1,134,433	-
Total non-current liabilities		7,158,257	6,126,301
Total liabilities		11,422,457	10,080,661
Net assets		23,449,146	22,626,970
Equity			
Reserves	17	1,465,276	1,421,099
Retained profits		21,983,870	21,205,871
Total equity		23,449,146	22,626,970

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

	Financial Asset Reserve	Retained Profits	Total
	\$	\$	\$
Balance as at 30 June 2018	1,186,788	16,745,251	17,932,038
Net deficit for the year	-	4,460,620	4,460,620
Other Comprehensive Income for the year	234,311		234,311
Balance as at 30 June 2019	1,421,099	21,205,871	22,626,970
Net surplus for the year	-	777,999	777,999
Other Comprehensive Income for the year	44,177		44,177
Balance as at 30 June 2020	1,465,276	21,983,870	23,449,146

The accompanying notes form part of these financial statements.



Behemoth | Mopsettville - DC McKay Group 3
Trainer: David Jolly | Jockey: Todd Pannell
Photo: Makoto Kaneko - The Rising Sun Photography

Financial Statements

For the year ended 30 June 2020



Gytrash | RN Irwin Stakes, Mophettville
Trainer: Gordon Richards | Jockey: Jason Holder
Photo: Makoto Kaneko - The Rising Sun Photography

Statement of Cash Flows

		2020	2019
	Note	\$	\$
Cash flows from operating activities			
Receipts in the course of operations		79,739,450	81,223,326
Payments in the course of operations		(76,989,383)	(71,038,232)
Interest received		611,822	521,144
Dividends received		38,917	43,060
Loans (to) / repayments from Clubs		56,487	305,907
Borrowing Costs		(203,168)	(88,372)
Net cash provided by operating activities	18	3,254,125	10,966,833
Cash flows from investing activities			
Payments for plant and equipment		(172,305)	(255,755)
Loans to / from External Parties		(969,303)	(3,295,408)
Net cash used in investing activities		(1,141,608)	(3,551,163)
Cash flows from financing activities			
Principal repayments of leased liabilities under AASB16		(145,324)	-
Net cash used in financing activities		(145,324)	-
Net increase / (decrease) in cash held			
Cash and cash equivalents at the beginning of the financial year		13,131,500	5,715,830
Cash and cash equivalents at the end of the financial year	6	15,098,693	13,131,500

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

The financial statements and notes represent Thoroughbred Racing SA Limited ("the Company") as an individual entity, incorporated and domiciled in Australia. Thoroughbred Racing SA Limited is a company limited by guarantee.

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 (Cth). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report was authorised for issue by the Directors of the Company on 1st October 2020.

(a) Adoption of new and revised accounting standards

Initial Application of AASB 16

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right of use asset for all leases with the exception of short term and low value leases which have been recognised as operating leases under AASB 117: Leases where the Company is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments. The right of use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments, relating to the leases recognised in the statement of financial position as at 1 July 2019.

The following summary provides details of the significant changes and quantitative impact of these changes on the initial date of application, being 1 July 2019.

(See table on page 43)

(b) Revenues & Other Income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

All revenue is stated net of the amount of goods and services tax (GST).

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

TAB product fee revenue

Revenue from TAB product fees is recognised as it accrues.

Betting Operations Contribution

Revenue from Betting Operations Contribution is recognised as it accrues.

SABOIS revenue

SABOIS subscriptions are not recognised as revenue until horses are two years old, when one third is recognised as revenue and the balance is recognised when the horses are three year olds.

Sale of goods

Revenue from the sale of goods is recognised when control of the goods passes to the customer.

Financial Income

Financial income comprises interest income on funds invested, dividend income, gains on the disposal of available-

	As presented on 30 June 2019	Application impact of AASB 16	As at 1 July 2019
	\$	\$	\$
Right-of-use-Assets			
Leased Building	-	1,298,015	1,298,015
Photocopier	-	137,097	137,097
		1,435,112	1,435,112
Leased Liability	-	1,435,112	1,435,112
	As presented under prev. Accounting Standard	Application impact of AASB 16	As at 30 June 2020
	\$	\$	\$
Rent & Outgoings			
Rent & outgoings - expenses	197,619	(197,619)	-
Interest on Lease			
Interest on lease expense	-	52,294	52,294
Depreciation on Right of use assets			
Depreciation	-	186,856	186,856

for-sale financial assets and changes in the fair value of financial assets through profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Grant Income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

(c) Financial expenses

Financial expenses comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised

on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(d) Taxation

No provision for income tax has been raised as Thoroughbred Racing SA Limited is exempt from income tax under the Income Tax Assessment Act 1997.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Notes to the Financial Statements

For the year ended 30 June 2020

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(g) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in the Statement of Profit or Loss and Other Comprehensive Income or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is available for use.

The estimated useful lives for each class of depreciable asset are:

- Plant and equipment 3 - 15 years
- Motor Vehicles 5 - 7 years
- Furniture and Fittings 3 - 15 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate,

at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains or losses) being recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their

nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash

flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services

Notes to the Financial Statements

For the year ended 30 June 2020

received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Employee Provisions

Short term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except

where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Contributions are made by the Company to employees superannuation funds and are charged as expenses when incurred.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(n) Leases

"At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right of use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right of use assets is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right of use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments which are incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates - leases

The lease term is defined as a non cancellable period of lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise the option. The decisions on whether to exercise the option to extend are reasonably going to be exercised is a key management judgement that the entity will make. The company determines the likelihood to exercise on a lease by lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the company.

Key estimates - Impairment: General

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions.

2. Revenue

	2020	2019
	\$	\$
TAB Product Fees and Wagering Tax Relief	27,009,941	31,854,323
Betting Operations Contributions	34,705,817	32,387,652
Screening & International Rights	4,173,946	3,895,375
SABOIS Subscriptions	270,150	275,150
Registration Fees	221,139	218,904
Publications	70,175	69,854
Other	1,529,408	1,443,022
Total revenue	67,980,576	70,144,280

3. During the course of the year, the Company received grants from the SA Government totalling \$4,795,949 (2019: \$5,393,000). From the total grants received, \$2,598,949 was to compensate the thoroughbred racing industry for the impact of the Betting Operations Tax (BOT) introduced by the State Government and effective from 1 July 2017 and \$2,197,000 was a financial support package to assist with the impact of COVID 19.

4. Financial Income

Interest income	611,822	521,144
Dividend income	38,917	43,060
Total financial income	650,739	564,204

Notes to the Financial Statements

For the year ended 30 June 2020

5. Expenditure	2020	2019
	\$	\$
(a) Industry Payments		
Training Grants and Raceday Usage payments	2,758,872	2,690,501
Race Day Payments & Costs	3,313,010	3,483,996
Club Promotion and Operational purposes	2,840,374	2,328,363
Club Capital Expenditure	472,154	1,561,421
Workcover & Insurance - Jockeys	1,550,618	1,255,165
Industry Staff Costs	817,222	710,095
Total Industry Payments	11,752,251	12,029,541
(b) Financial Expenses		
Interest expense	150,874	88,373
Total financial expenses	150,874	88,373
(c) Other Expenses		
Advertising & Marketing	962,402	1,339,913
Marketing Professional Fees	192,939	245,287
Publication Expenses	203,706	292,516
Swab & Veterinary Supplies	521,403	618,186
Other	1,965,341	1,955,400
Total other expenses	3,845,791	4,451,302
Audit of the financial report	18,300	17,700

6. Cash and cash equivalents

	2020	2019
Current	\$	\$
Cash at bank and on hand	4,990,335	12,366,283
Short-term bank deposits	10,108,357	765,217
	15,098,692	13,131,500

The Company manages monies held on behalf of the Apprentices in the Apprentice Jockey's Trust Fund. The balance of these funds at 30 June 2020 is \$1,106,140 (2019: \$674,659). These funds are not included in the amounts at Note 5 above.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	15,098,692	13,131,500
---------------------------	------------	------------

7. Trade and other receivables

Current

Trade receivables	3,793,951	3,340,723
Other receivables	459,759	2,629,706
Loans to Thoroughbred Racing Clubs - secured	663,381	845,666
	4,917,091	6,816,095

8. Other assets

Current

Prepayments	88,190	102,707
	88,190	102,707

Notes to the Financial Statements

For the year ended 30 June 2020

9. Plant and equipment	2020	2019
	\$	\$
Non-current		
Plant and equipment - at cost	4,136,071	4,004,150
Less: accumulated depreciation	(3,402,028)	(3,118,673)
Total plant and equipment	734,043	885,477

The Company's plant and equipment includes assets purchased for the use of clubs generally and for industry wide purposes.

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year:

Carrying amount at the beginning of the year	885,477	940,389
Additions at cost	172,305	255,755
Disposals - written-down value	-	-
Depreciation expense	(323,740)	(310,667)
Carrying amount at end of year	734,042	885,477

10. Financial assets - Investments

Non-current

Investment in Racing Australia Pty Ltd	1,635,968	1,511,219
Loan Burke Urban Gifford Hill	10,287,402	9,318,099
Available-for-sale financial assets		
Listed equity securities available for sale	861,962	942,534
Total financial assets - investments	12,785,332	11,771,852

The investment in Racing Australia Limited has been revalued to reflect the Company's share of the net assets of Racing Australia Limited.

The loan to Burke Urban Gifford Hill forms part of the \$10.28M loan facility provided to the Burke Urban Gifford Hill Joint Venture to complete the new race course and facilities for the Murray Bridge Racing Club at Gifford Hill. An agreement was reached due to COVID 19 to capitalise the interest for period. The capitalised interest is included in the amount above \$10.28M.

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. The Company has no intention to dispose of any listed available-for-sale financial assets which existed at 30 June 2020.

11. Right-of-use-Assets

The Company's lease portfolio includes buildings and photocopier machine.

The building leases have an average of 10 years as their lease term. The photocopier machine has an average of 3 years as their lease term remaining.

Options to Extend or Terminate property lease

The options to extend or terminate are contained in the property lease of the Company. This clause provides the Company opportunities to manage leases in order to align with its strategies.

All of the extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right of use asset.

AASB 16 related amounts recognised in the balance sheet

Trade payables	1,298,015	-
Other payables and accruals	(135,445)	-
Leased photocopier machine	137,097	-
Accumulated depreciation	(51,411)	-
Total Right-of-use-Asset	1,248,256	-

12. Trade and other payables

Current

Trade payables	923,246	1,011,001
Other payables and accruals	1,955,864	1,746,351
	2,879,110	2,757,352



McEvoy Mitchell Beanies - raising money for TRSA Welfare
Location: McEvoy Mitchell Racing, Kilderton Park, SA.
Photo: Kane Chenoweth

Notes to the Financial Statements

For the year ended 30 June 2020

13. Provisions	2020	2019
Current	\$	\$
Employee benefits - annual leave	332,835	318,909
Employee benefits - long service leave	491,050	446,525
	823,885	765,434
Non-current		
Employee benefits - long service leave	46,910	43,937
	46,910	43,937
Total provisions	870,795	809,371
Opening balance at 1 July 2019	809,371	740,106
Net provisions movement during the year	61,424	69,265
Amounts used	-	-
Balance at 30 June 2020	870,795	809,371

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (k) to these financial statements.

The amount of Long Service Leave shown in Current Liabilities has been calculated in accordance with AASB119. It does not necessarily represent the amount that will be taken by employees as Long Service Leave during the course of the 2020/21 Financial Year and as such is not a true representation. Historically, approximately \$50,000 of Long Service Leave in total has been taken by employees in any one year.

14. Other liabilities

Current		
Income received in advance - general	275,651	301,374
Income in advance - TABCorp Ltd	130,200	130,200
	405,851	431,574
Non-current		
Income received in advance - general	195,717	170,967
Income in advance - TABCorp Ltd	781,197	911,397
	976,914	1,082,364
Total other liabilities	1,382,765	1,513,938

15. Financial liabilities

	2020	2019
	\$	\$
Non-current		
Loan from SA Government	5,000,000	5,000,000

16. Lease liabilities

Current

Lease liabilities	155,354	-
Total current lease liabilities	155,354	-

Non-current

Lease liabilities	1,134,433	-
Total Non-current liabilities	1,134,433	-
Total Lease liability	1,289,787	-

a) Lease Liabilities

The lease liabilities were measured at the present value of the remaining lease payments, discounted using an estimate of the Company's incremental borrowing rate as at 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities was 3.82%. The lease liabilities recognised as at 1st of July 2019 amounted to \$1,435,112.



Super Striker | \$100,000 Magic Millions 2YO Plate, Morphettville
Trainer: Leon Macdonald & Andrew Gluyas | Jockey: Jess Eaton
Photo: Makoto Kaneko - The Rising Sun Photography

Notes to the Financial Statements

For the year ended 30 June 2020

17. Reserve

	2020	2019
Financial Asset Reserve		
The financial asset reserve includes the cumulative net change in the fair value of available for sale investments until the investment is derecognised.	\$	\$

18. Cash flow information

Reconciliation of net surplus / (deficit) for the year to net cash provided by operating activities

Net surplus for the year	777,999	4,460,620
Less items classified as investing/financing:		
- (Profit) on sale of investments	-	-
Add/(less) non-cash items:		
- Amounts set aside to provisions	61,424	69,265
- Depreciation expense	510,595	310,667
- Loan impairment	125,799	171,000
Net cash from operating activities before change in assets and liabilities	1,475,818	5,011,552
Change in assets and liabilities during the period:		
- (Increase)/ Decrease in trade receivables	(453,229)	5,718,322
- Decrease in other receivables	2,169,946	1,330,986
- Decrease in loans to Thoroughbred Racing Clubs	56,487	134,907
- (Increase) / Decrease in other assets	14,517	(24,327)
- Decrease in trade payables	(87,755)	(411,344)
- Increase / (Decrease) in other payables and accruals	209,513	(745,518)
- (Decrease) in income received in advance	(131,172)	(47,745)
Net cash provided by / (used in) operating activities	3,254,125	10,966,833

Notes to the Financial Statements

For the year ended 30 June 2020

South Australian Jockey Club Inc.

The South Australian Jockey Club Inc. (SAJC) is one of the two members of the Company and controls 50% of the voting power in general meeting and thereby has significant influence over the Company.

The following transactions occurred between the Company and the SAJC during the year:

- The Company allocated contra and made payments totalling \$2,871,844 (2019: \$1,866,390) direct to the SAJC during the year in line with the Industry's Club Funding models implemented by the Board for Training Grants and Race Day usage of the Morphettville courses, race day costs, marketing, promotional and operational purposes and capital expenditure. These payments are included in the expense item Industry Payments in Statement of Profit or Loss and Other Comprehensive Income.

Country Racing SA Inc

Country Racing SA Inc. (CRSA) is one of the two members of the Company and controls 50% of the voting power in general meeting and thereby has significant influence over the Company.

The Company made payments of \$61,848 (2019 \$61,032) to CRSA during the year for operational purposes. These payments are included in the expense item Industry Payments in Statement of Profit or Loss and Other Comprehensive Income.

The members of CRSA are the South Australian Racing Clubs (Clubs) other than the SAJC. The following transactions occurred between the company and Clubs during the year:

- The Company allocated contra and made payments totalling \$6,308,719 (2019: \$5,216,825) direct to Clubs during the year in line with the Industry's Club Funding models implemented by the Board for Training Grants and Race

Day usage of the various country race courses operated by member clubs of CRSA, race day costs, promotional and operational purposes and capital expenditure. These payments are included in the expense item Industry Payments in Statement of Profit or Loss and Other Comprehensive Income.

- The Company has entered into loan agreements with and made loans to Clubs to provide working capital and to facilitate capital projects, which amounted to \$663,381 at 30 June 2020 (2019: \$845,666). The loans are secured or capable of being secured. Interest earned by the Company amounted to \$1,337 (2019: \$3,904) and is included in Financial Income in the Statement of Profit or Loss and Other Comprehensive Income.

21. Contingent liabilities

Estimates of the potential effect of contingent liabilities that may become payable:

SABOIS

Qualified yearling horses are nominated for the South Australian Breeders & Owners Incentive Scheme (SABOIS) allowing them the opportunity to win bonuses in specified races.

No provision for future bonuses has been made in the statement of financial position as the requirement to pay a bonus does not arise until such time as the horse wins or is placed in a SABOIS race.

An estimate has been made based on past experience of likely future bonuses payable for those horses nominated for the scheme that are yet to reach the age of four. At 30 June 2020 it is estimated that these future bonuses will be \$5.0 million. (2019: \$5.0 million)

Single National System

Thoroughbred Racing SA Ltd has agreed to participate in the Single National System being developed by Racing Australia Pty Ltd (RA), as have all other States' Principal Racing Authorities (PRA). The system will bring together, under a national framework, many business practices relating to racing that are currently run in disparate systems across Australia. The project is expected to be completed in the 2020/21 Financial Year.

The total cost to develop the system is estimated to be \$3.2m. The funding for this system is based on a user pays model, with a charge being raised to each State based on the number of nominations each month until such time as the total project cost has been recouped by RA.

The total contribution made towards the project as at the year ended 30 June 2020 was \$262,145 (2019: \$216,363)

Wagering Service Provider

A Wagering Service Provider have advised Thoroughbred Racing SA Ltd (TRSA) that they believe they have overpaid fees due under the Betting Operations Agreement for the period 1 July 2017 to 29 February 2020 inclusive.

The amount claimed of \$1.04M (2019: NIL) is being verified by their auditors. At the time of preparing the financial statements, this work had not been completed.

22. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and loans, investments, accounts payable and borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial assets			
Cash and cash equivalents	5	15,098,692	13,131,500
Receivables and loans	6	4,917,091	6,816,095
Investments	9	12,785,332	11,771,852
Right of Use Asset	11	1,248,256	-
Total financial assets		34,049,371	31,719,447

Gains and losses recognised in other comprehensive income

Gains and losses recognised in other comprehensive income in respect of available-for-sale financial assets:

- Net fair value income on remeasurement	(80,572)	24,614
Total gains and (losses) recognised in other comprehensive income	(80,572)	24,614

Financial liabilities

Financial liabilities at amortised cost

- Trade and other payables	11	2,879,110	2,757,352
- Borrowings	15	5,000,000	5,000,000
- Lease Liabilities	16	1,289,787	-
Total financial liabilities		9,168,897	7,757,352

Risk management framework

Identification, measurement and management of risk is a priority for the Company. The provision of administration and management to the horse racing industry in South Australia carries a number of diverse risks which may have a material impact on the Company's financial position and performance. Consequently, the Board and Management have established a framework covering accountability, oversight, measurement and reporting to maintain high standards of risk management.

The Company allocates specific roles in the management of risk to Management. This is undertaken within an overall framework and strategy established by the Board.

Notes to the Financial Statements

For the year ended 30 June 2020

24. Commitments

	2020	2019
	\$	\$
(a) Finance Leases		
Minimum lease payments under non-cancellable operating leases:		
- Not later than one year	201,923	-
- between one and five years	844,155	-
- later than five years	466,021	-
Minimum lease payments	1,512,099	-
- Less: finance changes	(222,312)	-
Present value of minimum lease payments	1,289,787	-
(b) Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- Not later than one year	-	54,156
- between one and five years	-	90,260
- later than five years	-	-
	-	144,416

New accounting standard AASB 16 Leases became effective for financial year commencing 1 January 2019. All lease contracts, unless an exemption applies, are required to be presented on the balance sheet as a finance lease. As a result of transitioning to AASB 16 there are no operating lease commitments as at 30 June 2020.

The 2019 operating lease commitment represents the rent payable for the photocopier machine. The photocopier machine has a lease a 5 year term commencing from 1st March 2017.

25. Events after the reporting period

The Company in June 2019 accepted an offer from, and entered into a four year agreement with, the State Government for the provision of funding to the thoroughbred racing industry in South Australia. The purpose and outcome stipulated in the agreement was to undertake measures that improve the sustainability of the racing industry in South Australia and to protect local jobs and boost the racing industry to become more competitive.

The total forecast funding the Company will receive over the remaining term of the agreement is estimated to be \$11.6M.

26. Company details

The registered office and principal place of business of the Company is:
Thoroughbred Racing SA Ltd
Ground Floor, 240 Morphett Rd
NORTH PLYMPTON SA 5037.

27. Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding's and obligations of the Company. At 30 June 2020 the number of members was 2.

Directors' Declaration

THOROUGHBRED RACING SA LIMITED

DIRECTORS' DECLARATION

The directors have determined that the Company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

E F Nelson QC

Dated at Adelaide this 1st day of October, 2020

Independent Auditor's Report



Thoroughbred Racing SA Limited Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Thoroughbred Racing SA Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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(WB016_2007)





If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck
ABN: 38 280 203 274

G.W. Martinella
Partner
Dated this 1st day of October, 2020.



Sunlight | Exhibition Gallop Morphettville
Trainer: Tony and Calvin McEvoy | Jockey: Todd Pannell
Photo: Makoto Kaneko - The Rising Sun Photography



Thoroughbred Racing SA Limited
240 Morphett Road, North Plympton, SA 5037



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