

2022

Behemoth
2022 Champion SA Racehorse of the Year



Racing SA
**Annual
Report**



RACING
SA

Racing SA

Annual Report



RACING SA



THOROUGH CARE SA



RACING OWNERS SA



APPRENTICE ACADEMY SA



RACING REWARDS SA



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RACING
CAREERS SA



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Chairman's Report

Robert A Rorrison

As you will see throughout this Annual Report, over the last 12 months, as an organisation, we have continued to pursue the steps we set out in our Strategic Plan with a view to creating a long term sustainable industry. I give thanks to all our industry stakeholders for working with our dedicated Board, management team and staff in support of this vision.



I certainly believe that the successes we have had deserve even greater recognition given they have been achieved in a period where we continue to operate at a competitive disadvantage to every other State in Australia due to the relative lack of State Government financial support. In particular I highlight the extremely low return of the taxes generated by the industry back to the industry in this State, the lowest of any State in terms of the percentage and the actual dollar amount.

In rereading the 2017 Annual Report I note the statement made that:

"...the Treasurer has reiterated his advice which remains firm, to the effect that the South Australian racing industry will be no worse off as a result of the Betting Operations Tax."

This has clearly not been the case.

The relative lack of funding since 2017 has either led to, or been a significant contributor to, the loss of four significant trainers, their horses, some of their owners and the jobs they create, to other States. The departing trainers include two of the largest and most successful trainers in SA in 2017.

“For the last 2 years I have worked closely with Nick so know firsthand how dedicated he has been to delivering the outcomes under our strategic plan.

Thoroughbred Racing, the Racing Industry in general, its nearly 2,000 direct employees and the 3,800 full time equivalent employees supported by the Industry all deserve better than this continued lack of Government support.

I strongly recommend that you read the CEO and Senior Executive reports that follow.

As has been announced post 30 June, our CEO Nick Redin will be leaving us in late November, after 14 years in the business, to pursue a role outside of the Racing Industry. For the last 2 years I have worked closely with Nick so know firsthand how dedicated he has been to delivering the outcomes under our strategic plan. I am sure all our Stakeholders wish him all the best in his new position.



Robert A Rorrison
Chair



Chief Executive Officer Report

Nick Redin

Pivotal to the ongoing success of the Racing Industry in SA will be a new funding agreement with the State Government for FY24 and beyond.



Financial Performance

Racing SA reported a net operational surplus of \$1.08M. This is the result before Government capital project funding, expenditure against that funding and changes to the valuation of investments. The total comprehensive result, being the result inclusive of these items was a surplus of \$1.08M.

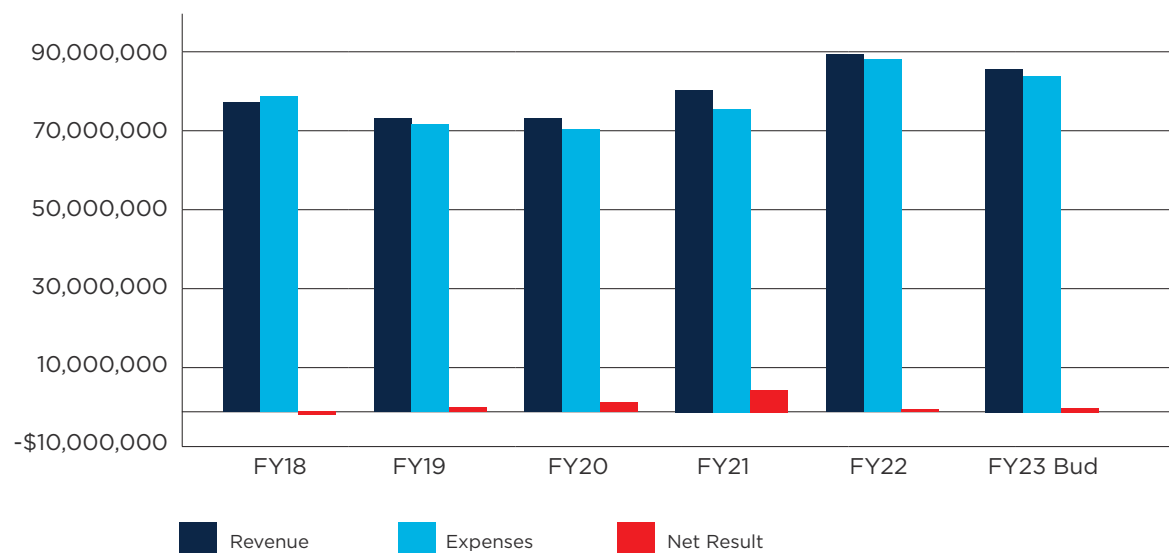
This very strong result is due to:

- Sustained focus on programming to the active horse population;
- Ongoing improved average field sizes driving a significant reduction in races with no third dividend, seven or less starters;
- Retail wagering and hospitality venues being open for the full year bar one week and;
- The ongoing growth of online wagering as we emerge to the new post pandemic normal.

The FY22 result has allowed Racing SA to complete several key infrastructure projects and embark on new projects aimed at delivering sustainability for the Clubs and growth for the industry.

Operating Result

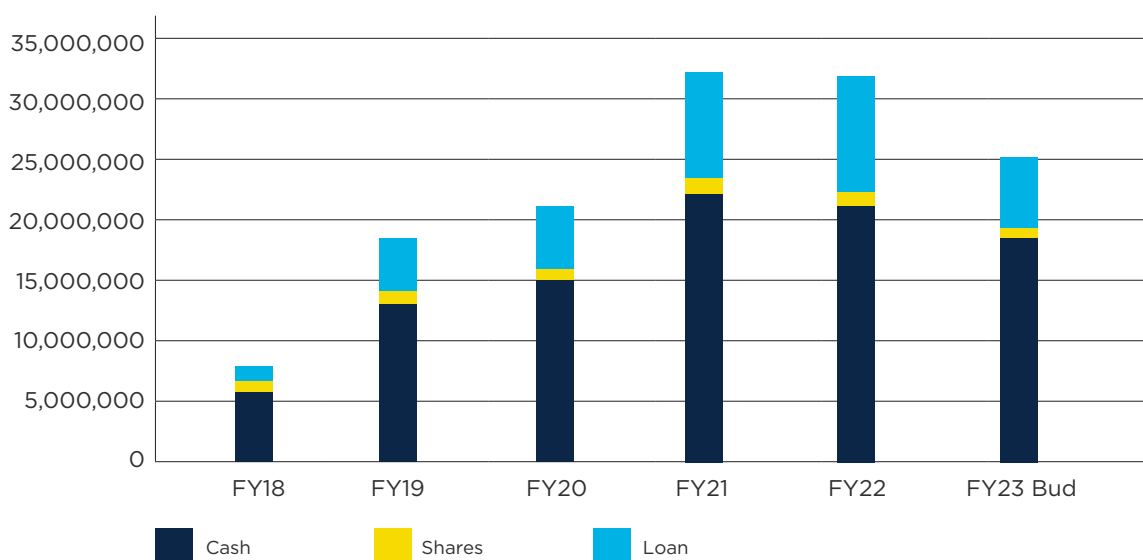
The chart below shows the Company's operating results for FY18 through to FY22 and the FY23 Budget.



	FY18	FY19	FY20	FY21	FY22	FY23 Bud
Revenue	76,334,177	73,133,595	73,427,264	80,657,049	89,160,295	86,322,539
Expenses	77,361,273	71,469,864	70,622,281	75,753,705	88,080,455	84,884,645
Net Result	(1,027,096)	1,663,731	2,804,983	4,903,344	1,079,840	1,437,894

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

The chart below shows the Company's cash reserves and value of share holdings for FY18 through FY22 and the FY23 Budget.



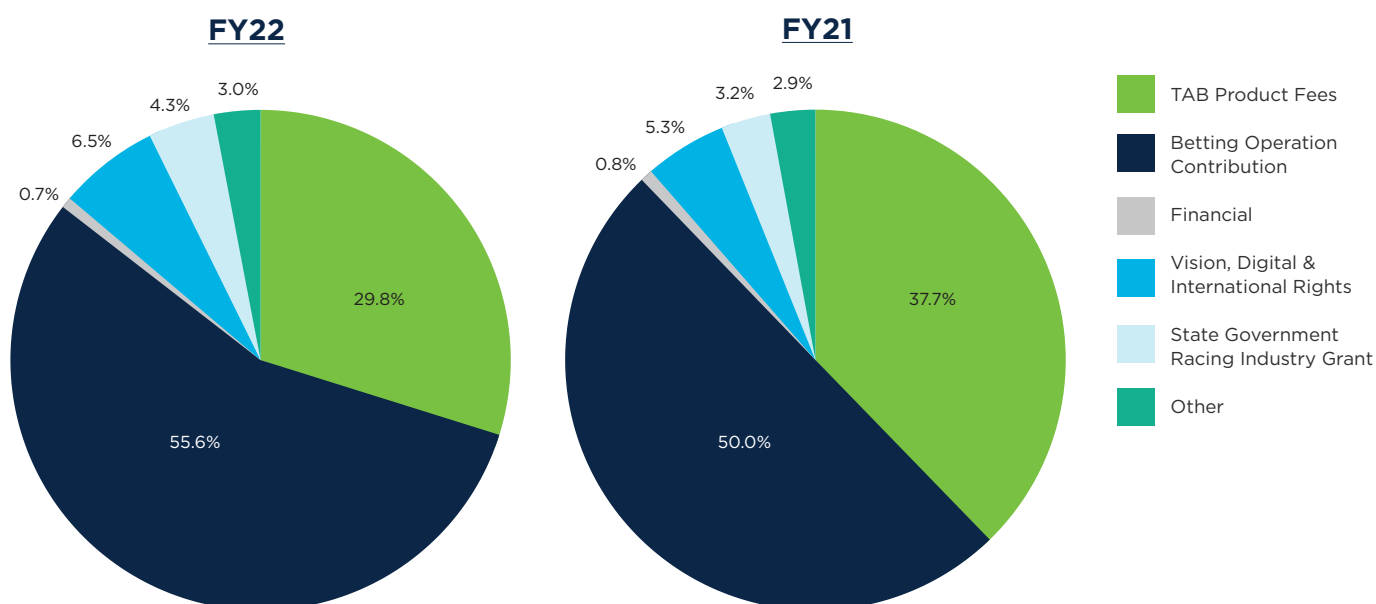
	FY18	FY19	FY20	FY21	FY22	FY23 Bud
Cash	5,715,830	13,131,500	15,098,692	22,790,876	21,465,053	18,627,138
Shares	917,920	942,534	861,962	1,129,542	1,116,778	950,000
Loan	1,022,689	4,318,099	5,287,402	8,883,245	9,425,690	5,663,090
Total	7,656,439	18,392,133	21,248,056	32,803,663	32,007,521	25,240,228

Chief Executive Officer Report

(continued)

Revenue

Operating revenue was up 10.5%, \$8.5M, on the prior year, where as it had been initially forecast to decline by as much as 20% as Australia emerged from the Covid-19 pandemic.



	FY22		FY21		Change	
TAB Product Fees	26,608,111	29.8%	30,423,035	37.7%	(3,814,924)	-12.5%
Betting Operation Contribution	49,597,711	55.6%	40,354,074	50.0%	9,243,637	22.9%
Financial	637,998	0.7%	675,037	0.8%	(37,039)	-5.5%
Vision, Digital & International Rights	5,813,662	6.5%	4,235,387	5.3%	1,578,275	37.3%
State Government Racing Industry Grant	3,851,645	4.3%	2,593,085	3.2%	1,258,560	48.5%
Other	2,651,168	3.0%	2,376,431	2.9%	274,737	11.6%
TOTAL	89,160,295		80,657,049		8,503,246	10.5%

Other revenue includes; Racing Rewards SA registration fees, industry participants registration fees, calendar advertising and subscriptions together with other sundry revenue items.

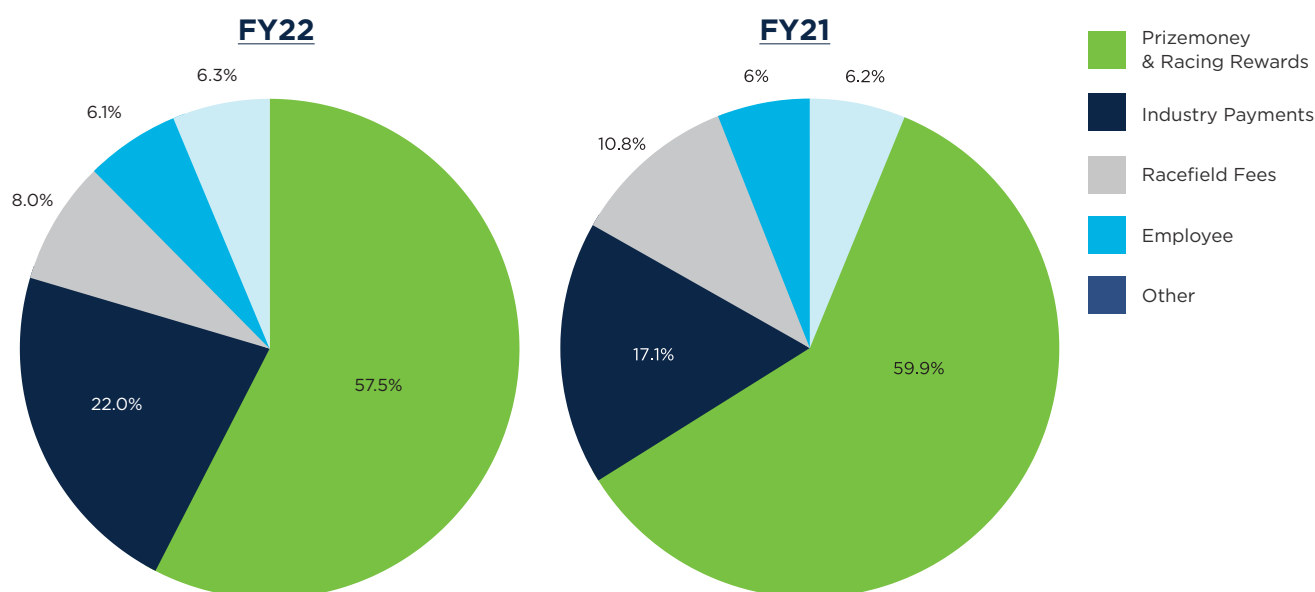
Revenue was however a mixed result. Total distributions from the SA TAB were down 12.5%, \$3.815M, and revenue from Betting Operations Contribution (BOC) from all other wagering operators was up 22.9%, \$9.244M.

Digital and International vision rights were up, 37%, \$1.58M, and are expected to at least hold if not increase again in FY23 with additional wagering operators taking up the option of SA digital rights via racing.com

(continued)

Expenditure

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



	FY22		FY21		Change	
Prizemoney & Racing Rewards	50,674,607	57.5%	45,382,454	59.9%	5,292,153	11.7%
Industry Payments	19,403,245	22.0%	12,929,835	17.1%	6,473,410	50.1%
Racefield Fees	7,038,936	8.0%	8,174,402	10.8%	(1,135,466)	-13.9%
Employee	5,386,017	6.1%	4,561,966	6.0%	824,051	18.1%
Other	5,577,649	6.3%	4,705,048	6.2%	872,601	18.5%
TOTAL	88,080,455		75,753,705		12,326,750	16.3%

Total operating expenditure was up 16.3%, \$12.33M.

The increase in operating expenditure arises from total prizemoney, unplaced subsidies and Racing Rewards SA Bonuses up 11.66%, \$5.292M, to a record \$50.7M. Racing SA is conscious there needs to be a further increase in prizemoney in the short term.

Payments to Racing Clubs for operational expenditure for racing and training, capital grant and marketing totalled \$19.403M, up 50.1%, \$6.473M, and welfare and education expenditure was up \$256K, 59.4%. Welfare and education expenditure comes from both the 1% deduction from prizemoney and additional funding provided by the industry. The initiatives that have been achieved in these areas in FY22 are first class.

Chief Executive Officer Report

(continued)

State Government

Racing SA acknowledges the support of the State Government. Funding from the 2019-23 Sustainability Program which included funding assistance for infrastructure projects and a modest share of the Point of Consumption Tax, the Government provided a further \$5M in the 2020 State Budget towards the \$13.2M on course stables and equine pool project at Murray Bridge.

During the course of the year the following projects that had a component of State Government funding were completed or commenced in FY22:

- Murray Bridge equine pool and stables

- On course stabling at Gawler



- New wash down bays and sand rolls at Strathalbyn and;

- Significant renovations to the racing surface at Port Augusta.



We look forward to working with the Malinauskas State Government to deliver an improved funding model for the South Australian Racing Industry, one that addresses the lack of competitive funding the industry has endured over the last decade.

Wagering

As was expected in FY21, the consensus across wagering operators was that FY22 would be a difficult year as the country emerged from the Covid-19 pandemic. Pleasingly, this was not the case and on the back of further significant increases in field sizes and reductions in no third dividend races, total wagering on SA thoroughbreds again increased to a record level.

The outcome of this is a solid increase in both turnover and Net Wagering Revenue in FY22.

Total turnover on SA thoroughbred racing was up 12.7%, \$224M, on the record highs of FY21. Turnover on SA thoroughbreds via the SA TAB was up 8.2% and all other WSP's were up 12.9%.

NWR was up \$54M to \$326M, an increase of 20.0%. SA TAB on SA thoroughbreds was up 14.0% and all other WSP's up 20.3%.

In a departure from previous Annual Reports, each Departmental Head this year has compiled a report on their area of responsibility. These follow the CEO's report.

Delivery against the Strategic Plan

As has been clearly articulated, the core of the strategic plan is to drive an increase in the horse population as well as field sizes, wagering revenue and participation, while at the same time, broadening our digital reach.

All results bar one in FY22 have been positive with the key highlights as follows.

Whilst the total number of race meetings conducted has not returned to the same level as FY19, more races have been run in FY22



No third dividend races declined by 68 races, 25.6%, year on year and are now 50.5% lower than they were in FY19



Total starters increased by 744 year on year, 5.7% and are 12.5% higher than in FY19.



Average starters per TAB race were 10.1 an increase of 4.1% year on year and 12.2% higher than FY19



(continued)

Racing SA Statistics

Metro	Meetings	Races	Races NTD	Starters	Ave Starters per Races
FY19	54	436	149	3,885	8.9
FY20	53	454	130	4,175	9.2
FY21	52	468	102	4,558	9.7
FY22	53	481	89	4,775	9.9

Other TAB	Meetings	Races	Races NTD	Starters	Ave Starters per Races
FY19	121	923	251	8,328	9.0
FY20	118	896	215	8,228	9.3
FY21	115	875	164	8,439	9.6
FY22	117	884	109	8,966	10.1

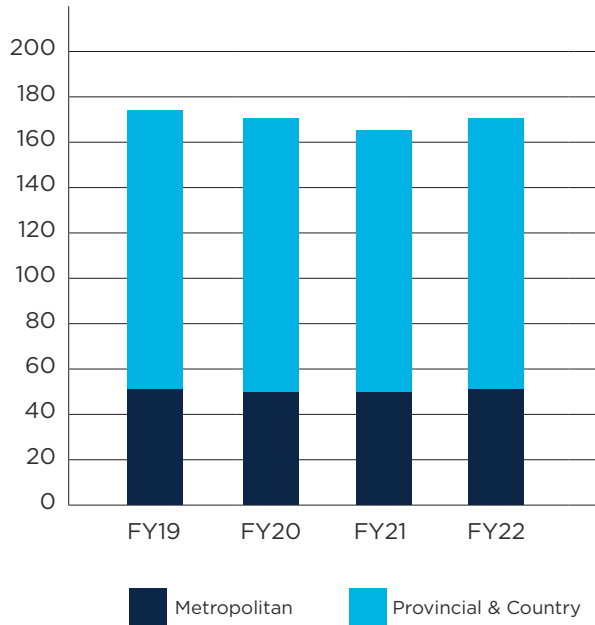
All	Meetings	Races	Races NTD	Starters	Ave Starters per Races
FY19	176	1,359	400	12,213	9.0
FY20	171	1,350	345	12,463	9.2
FY21	167	1,343	266	12,997	9.7
FY22	170	1,365	198	13,741	10.1



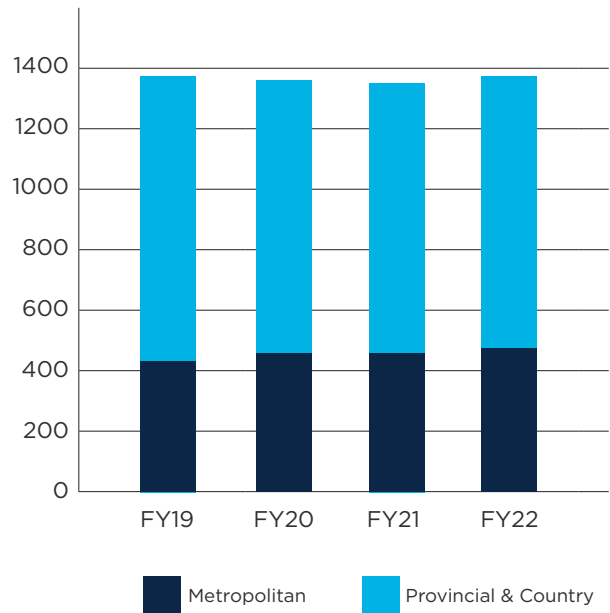
Chief Executive Officer Report

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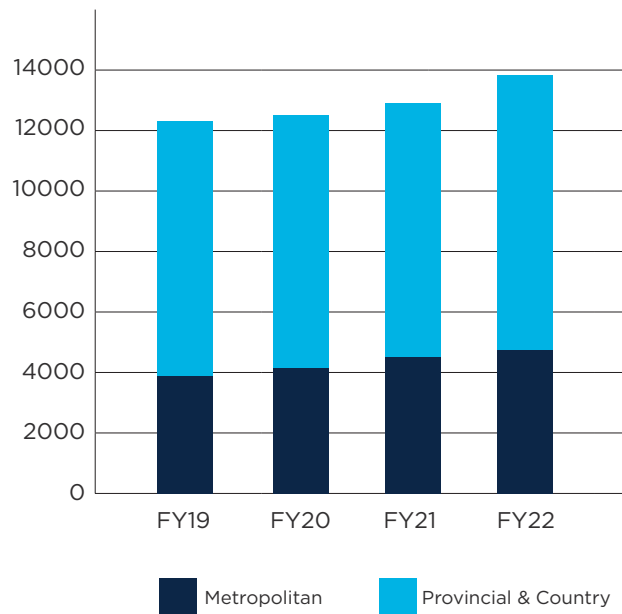
Race Meetings



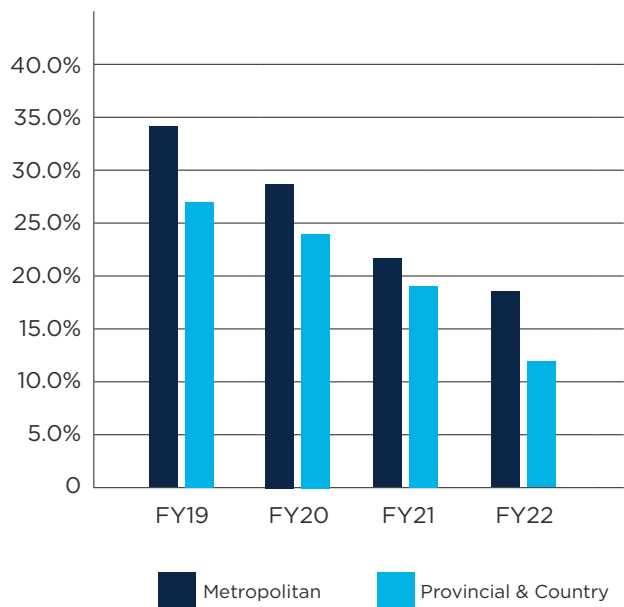
Individual Races



Starters



% of Races NTD



(continued)

Active Horse Population



The decrease from February 2022 to August 2022 arises from the decision by McEvoy Mitchell Racing to move their operations entirely to Ballarat and close Kildalton Park and their spelling property.

“Significant work was undertaken between August 2019 to February 2020 to review and clean up the active horse database. This resulted in a significant reduction in the active horse population.”

Chief Executive Officer Report

(continued)

FY23 and Beyond

FY23 is shaping as a pivotal year to consolidate and deliver much of the strategic growth strategy.

The 164 stables at Murray Bridge will be completed and the new inner turf track will be used for the first time. A further 20 on course stables will be delivered at Gawler. These items are key to driving the increase in the horse population.

Work will continue in the education space with the Apprentice Academy and track work rider programs expanded. At the start of the new racing season, the Academy had expanded to 22 apprentices and new entrants are now inducted on an annual intake at the commencement of each racing season.

The Communications and Content team will continue to expand our reach through our owned assets as well as continue to build strong ties with free-to-air TV networks and radio stations.

Pivotal to the ongoing success of the Racing Industry in SA will be a new funding agreement with the State Government for FY24 and beyond. A lot has been achieved with a very modest amount of Government funding and now is the time for the funding to be increased to a level that puts us comparatively on par with our interstate counterparts, who receive far more funding than the SA industry enjoys.

As this is my last Annual Report as CEO, I would like to take this opportunity to thank the Board, Management team and all the staff at Racing SA for another very sound year in FY22 and for the last 14 years during my time in the Industry: you are a brilliant and strong team.

To all participants: I wish you the very best for the future. With your effort and continued support, Racing in SA is well placed for a strong and bright future.



Nick Redin
Chief Executive Officer

“As this is my last Annual Report as CEO, I would like to take this opportunity to thank the Board, Management team and all the staff at Racing SA for another very sound year in FY22 and for the last 14 years during my time in the Industry: you are a brilliant and strong team.”



In FY22 the 164 stables at Murray Bridge will be completed and the new inner turf track will be used for the first time



The core of the strategic plan is to drive an increase in the horse population to drive field sizes and in turn wagering revenue and participation



New wash down bays and sand rolls at Strathalbyn

Racing Highlights

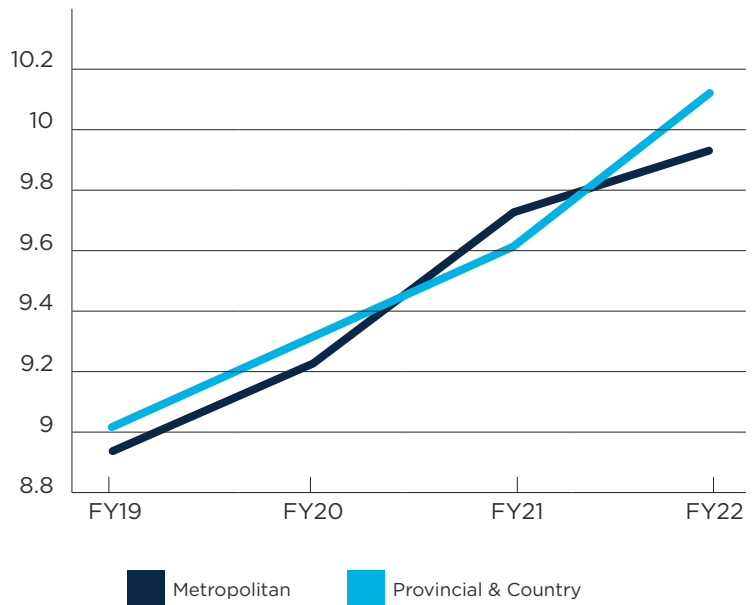
Vaughn Lynch

Chief Operating Officer

The 2021/22 racing season included many highlights for both participants and horses while consolidating the strategy to grow the active horse population.



Average Field Sizes



Average field sizes across the State topped 10 starters per race for the first time in many years.

Racing Highlights

The key racing highlights for the 2021/22 racing season included:

The extension of the Adelaide Racing Carnival to four weeks with each Group 1 featured on its own day.

Group 1 winners for the carnival were:

Australasian Oaks – Glint Of Hope

Sangster Stakes – Snapdancer

SA Derby – Jungle Magnate

The Goodwood – Lombardo



South Australian trained horses that competed successfully interstate included Behemoth, Kemalpassa, See You In Heaven, Beau Rossa and Morvada.



Daqiansweet Junior

won the Adelaide Cup, providing Phillip Stokes with back to back cups following the victory of Good Idea in 2021.

This also saw the first Adelaide Cup victory for superstar jockey Jamie Kah who is a product of the South Australian Apprentice Academy.



Richard and Chantelle Jolly

claimed their first Metropolitan Trainers Premiership and State Premiership.



Garret Lynch

claimed his first Provincial/Country Premiership.

Barend Vorster

claimed his first Metropolitan Premiership with Kayla Crowther taking out the State and Provincial/Country Premierships.

Caitlin Jones

was victorious in the International Jockeys Challenge which was conducted in Saudi Arabia defeating some of the world's best hoops.

Ben Price

emerged as the leading Apprentice after taking an incredible 705 rides for the season.



Will Clarken ventured overseas to Dubai with two horses He's A Balter and Parsifal. Both proved highly competitive finishing in the placings, with the most notable performance being

Parsifal running third in the Group 2 Blue Point Sprint.

Winning Partner

went back to back in the Balaklava Cup winning both the 2020 and 2021 editions.



The season saw classy gallopers **Sebonna, Clever Man, Splash Some Cash and Grinzinger Star**

all win multiple Country Cups.

Group 1 winning trainers Dean and Gary Alexander

saddled up their first starters in the state after relocating from South Africa.

Season 2021/22 saw the establishment of the first three way training partnership between **Gary and Nichole Searle** and their daughter, **Brianna Callanan**.

The inaugural

Magic Millions 3 & 4YO Classic

was conducted at Murray Bridge in conjunction with the Magic Millions 2YO Classic. Tony and Calvin McEvoy prepared Zoist to take out the 3 & 4YO Classic along with Twin Stars who won the 2YO Classic.

Vaughn Lynch
Chief Operating Officer

Content Highlights

Michelle Greene

General Manager Communications, Media and Content

The 2021/22 racing season provided the Communications team with plenty of opportunities to develop and grow the Racing SA brand and five sub brands- Apprentice Academy SA, Racing Owners SA, Racing Rewards SA, Thorough Care SA and Racing Careers SA.



Earned media coverage-With a change in strategic direction the team has been able to pivot and create high calibre content, both written and visual, primarily in-house. The team have been successful in seeding in content to mainstream media (print, tv and radio) on a regular basis, with at least two pieces per week being used throughout the year across multiple mediums. During the Adelaide Racing Carnival, we saw a higher volume of mainstream cut-through, with an average of two commercial channels per week using our in-house content in addition to Racing.com.

Other key achievements include:

- The Races Magazine (monthly publication) brought in-house
- Production of multiple television campaigns for Clubs, Racing SA and the industry
- Established an in-house content team resulting in an average of two stories per week appearing in mainstream media- more in peak racing periods
- Successfully sourced a digital media buying alternative for country clubs post Carats departure
- Forged strong relationships with media including, Channel 7, Channel 10, Racing.com, 5aa and The Advertiser
- Collaboration with Racing.com for the Goodwood Barrier Draw resulting in lengthy coverage
- Appointed a website developer and have commenced working on the new Racing SA website
- Successfully arranged Industry Awards and Hall of Fame
- Introduction of Hubspot to centralise communications

The Communications team have supported each of the sub brands by creating a range of merchandise for each brand ranging from; beanies, saddle blankets, tote bags, pens, drink bottles and horse rugs. Additionally, sub brands were supported with a range of campaign materials varying from course flyers, information brochures and posters to digital assets for website and social media use both internally and externally for sponsors. Additionally the team introduced online ticketing for events, created QR codes directing traffic to RA's website and implementing digital forms to capture data. An event kit was also produced for key events such as the Royal Adelaide Show including marquee, vinyl banners and other promotional assets which are shared resources for Thorough Care SA and Racing Careers SA.

Key highlights for each area;

Thorough Care SA

- Implemented a month dedicated to Thorough Care to not only showcase the great work that has been completed in this area but also to capture the attention of fringe audiences such as pony clubs, equestrian and other pleasure riding organisations.
- This initiative resulted in 500 new email subscribers and at least four (4) mainstream media pieces.
- Launching the Thorough Care Assistance and Senior Assistance packages.

Apprentice Academy SA

- Apprentice Academy highlights created each month to showcase the achievements of these riders and build their profiles
- Presentations implemented to celebrate milestones reached, in particular when apprentices gain their metropolitan licence and when apprentices graduate to the senior ranks
- Wide coverage of the world's first jockey heart study in conjunction with the University of South Australia.

Racing Owners SA

- To stimulate interest in ownership, trackwork breakfast tours were launched and conducted in the warmer months, initially offered to the Dare to Dream database but later expanding to a wider audience.
- The hut at Morphettville was revamped and used to host small groups of interested people for a behind the scenes look, hosted by Racing SA staff (Clare Lindop, John Cornell and Dean Pettit) and assisted by guest trainers. Small groups had the opportunity for a close-up look at early morning track work while being treated to breakfast.



- The Terrace Bar was also launched this season with the intent to drive an increase in ownership. During the Adelaide Racing Carnival, representatives from over 25% of the top 100 South Australian companies attended as guests of Racing SA.

Racing Careers SA

- Successfully sold in several stories to media with a highlight being the coverage by Sky via Caroline Searcy's segment 'Bred to Win' which was over 15 minutes long.
- Pony Race at Murray Bridge on Magic Millions race day which was covered by Racing.com and Channel 7 extensively, as well as The Advertiser.



Racing Rewards SA

- Coverage of the Magic Millions Sales
- Live social media coverage of Magic Millions Race Day at Murray Bridge.

Country Racing SA

Racing SA also continued to support Country Racing SA and this season successfully on-boarded two dedicated resources to the functions of social media/digital and graphic design. Some of the highlights achieved with the addition of these two roles included;

- Refreshed Country Racing SA Brand
- On-boarded 17 clubs to the Moshtix online ticketing system with the exception of Balaklava, Kangaroo Island (booking obligations with sponsor Sealink) and the following Clubs who each only host one meeting per year; Lock, Penong, Hawker, Quorn and Roxby Downs yet to use the system.
- Launched country racing event guide- magazine style publication
- Roll-out of the digital owners card - currently still in trial phase.

Michelle Greene

Michelle Greene

General Manager Communications, Media and Content

Welfare & Education

Nick Bawden

Industry Operations and Welfare Manager

The 2021-22 Racing season saw the ongoing development of Racing SA's Welfare, Careers and Education Department. This department incorporates three Racing SA sub-brands Thorough Care SA (Equine Welfare), Racing Careers SA and Apprentice Academy SA.



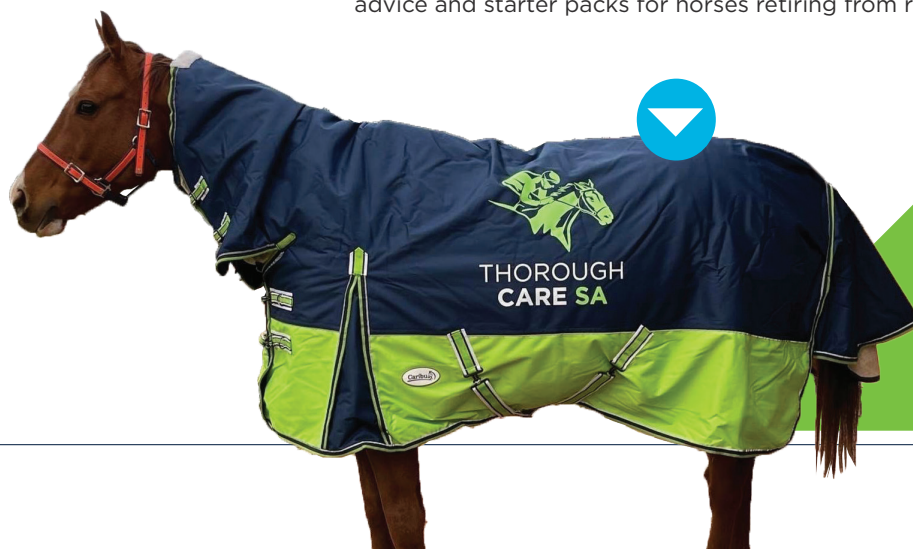
The team of John Cornell, Clare Lindop, Briony Moore and Dean Pettit provide Racing SA unrivalled industry knowledge, experience and expertise to help ensure the sustainability of these critical areas for the South Australian racing industry.

It is exciting to see the list of achievements in each of these areas below, with Racing SA having started this department in the 2021-22 racing season. With continued focus on equine welfare and a recognition on the importance of attracting new staff, the foundations have been set for further growth and activities in the coming years.

2021-22 Season Highlights

Thorough Care SA (John Cornell)

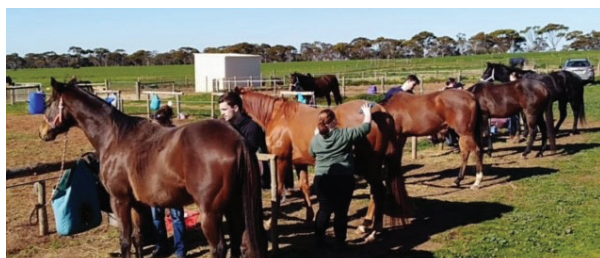
- Implemented a senior's package for horses that had been retired with the same owner for four or more years. In partnership with Hygain, there were 50 packs delivered which includes a range of supplements and nutrition advice. Due to the overwhelming popularity of the promotion, a further 100 additional packs were delivered.
- Conducted three clinics with show jumping coach Clive Reed at his property Northern Equestrian Centre at Penfield with 54 riders participating.
- Conducted two clinics with dressage coach Anne Smith at her property Lyrical Acres at Lewiston with 24 riders participating.
- Implemented an assistance pack for retired horses in partnership with Hygain and PETstock. There have been 300 packs delivered, which provides a rug, nutrition advice and starter packs for horses retiring from racing.



- Conducted a horsemanship seminar/clinic with Felicity Davies at the Northern Equestrian Centre at Penfield with 53 people in attendance.
- Conducted an equitation clinic/seminar with world renowned horseman Andrew McLean at the Northern Equestrian Centre at Penfield with over 80 people in attendance.
- Sponsored a number of equestrian events during the year, including the Naracoorte Horse Trials, Reynella Horse Trials, Kircaldy Park Horse Trials, Equestrian SA Show Horse - three shows including Horse of the Year, Show Horse Council - three shows, Mallala Show Jumping Club winter series, Northern Show Jumping Club, Southern Districts Show Jumping Club, Jupiter Creek Pony Club one day event, Two Wells Pony Club one day event, Kadina Pony Club one day event, Southern Districts Pony Club super cross, Mount Pleasant Pony club super cross, SA Barrel racing open day, SA Ranch sorting championships, Mount Crawford Dressage Club OTT series - five shows, South East Dressage Club, Angaston, Murray Bridge Gawler and Mount Pleasant Agricultural Shows.
- Conducted Thorough Care SA month for the month of June which highlighted the importance of equine welfare and the work that Thorough Care SA is doing.
- Implemented a monthly Thorough Care SA newsletter highlighting equine welfare stories, profiles of both retired horses and owners plus providing sponsored upcoming Thorough Care SA events and results.
- Two school visits to the races:
 - Mount Gambier - 24 Year 10 students, attended Peter Hardacre stables, followed by a day at the races, including tours of the stewards and jockeys rooms, scales area, judges tower and race callers box. The group then helped repair the track after each race and had a talk from Track Manager David Shepherdson.
 - Murray Bridge - 12 students attended Matthew Seyers Stables and visited Murray Bridge Racing Club for a tour of the facilities.
- Morphettville Racecourse "Behind the Scenes Tours" and Career Immersion visits.
- Working with South Australian Aboriginal Secondary Training Academy to provide eight students and two teachers a day at Morphettville for track work, then excursion to Lincoln Park Horse and Human Rehabilitation Centre for Horse Handling Workshop.
- The introduction of monthly Track Rider Professional Development Days held at the SA Apprentice Academy.
- Supported the Thoroughbred Industry Careers Pony Race Exhibition held at Murray Bridge on Magic Millions Race Day.

Racing Careers SA (Clare Lindop)

- Conducted the inaugural (12 week long) Track Work Riding Skills Course in conjunction with Skill Invest and the SA Government, based at the wonderful Adelaide Hills property, Dibden Park.
- Horse Handling Workshops held at Lincoln Park Horse and Human Rehabilitation Centre at Monarto South, working with horse re-trainer Sonya Little, using retired racehorses.



- Running "ride to time" events for Pony Club Members at South Australian Racecourses. The aim of these events is to encourage riders to understand pace and time while riding horses. These events have been well attended, and include a tour of the racecourse facilities including jockeys rooms and scales area.
- Eight Pony Club and Equestrian Show/competition Visits.
- Trade stands at metropolitan and regional Career Expos.

Apprentice Academy (Briony Moore)

- The Racing SA Apprentice Academy won its 7th National Apprentice Race Series Title



- Full-time jockey Coach Dean Pettit appointed
- 20 active apprentice jockeys in the Apprentice Academy (10 year high)
- Three apprentices in the top 10 Metropolitan riders premiership
- Lizzie Annells won the 2022 Carbine Club Scholarship
- 25/09/2021 - Ben Price rode four Metropolitan winners at Morphettville Parks
- Angus Chung won the \$100,000 SA Sprint Series Final on Rushaway Lad for Travis Doudle
- Ben Price rode in the G1 Goodwood Handicap aboard Beau Rossa for Will Clarken.

Nick Bawden
Industry Operations and Welfare Manager

Integrity Report

Johan Petzer

General Manager Integrity Services

The Integrity Department engaged in functionalities related to the management and maintenance of integrity in the industry, which included race day and trial management, the provision of veterinary services, the sampling of horses and participants and non-race day surveillance activities.



In addition, the Department conducted race day and non-race day inquiries and investigations, and performed licensing and registration functions.

In the period under review, the Department bid farewell to Dr Peter Horridge who served the local thoroughbred racing industry with distinction for just over 20 years. I would like to personally thank Dr Horridge, and on behalf of the Department, for his dedicated and excellent service provided to the industry, for providing guidance to the Department in respect of veterinary matters, and for always acting with the utmost integrity. Dr Horridge was held in high regard in veterinary circles nationally. We wish Dr Horridge all the very best in a well-deserved retirement.

Following Dr Horridge's retirement, the Department expanded its resources with the employment of a full-time Industry Regulatory Veterinarian and welcomed Dr Toby Koenig, a well-regarded and experienced regulatory veterinarian to the role and who most recently served in this role at Racing NSW. Dr Koenig is also very well credentialed and will continue the very good work of Dr Horridge. It is noted that both veterinarians served on the Racing Australia Veterinary and Analysts Group (VAAG) for a considerable period.

For most of the period under review, the department managed the integrity related functions with a staff complement, which included 10 full-time Stewards, two administration assistants, a contracted part-time veterinarian, and a number of casual staff members.

The working relationship with the Hong Kong Jockey Club, in respect of the training of apprentice jockeys, remained ongoing, and we were pleased to welcome two new apprentices from Hong Kong into the system.

I would like to extend my sincere gratitude to my staff for their dedication and application to the tasks required and for facing up to the challenges and demands with resolve and professionalism. The period under review still presented some challenges related to the recent Covid-19 pandemic; however, the staff approached these challenges in a steady and measured manner. I am grateful for their professional approach to our role and for their unwavering assistance and support provided to me.

Key Data

In total, the Department recorded three (3) prohibited substance matters during the racing season relating to samples taken from horses, which participated in races. The sampling activity for the past three racing seasons, are detailed in the table below;

Sampling (Equine)

Sample Type	2021/22	2020/21	2019/20
Post-race urine/ blood samples	1275	1271	1235
Pre-race blood samples (TCO ₂)	1152	1452	1398
Post-race blood samples (TCO ₂)	0	2	1
Pre-race blood/ urine samples	1164	1474	1051
Post-trial samples	0	8	9
Non-Race Day samples/OOC	103	24	59
No. of positive tests	3	1	4
Total Samples	3694	4231	3753

Sampling (Human)

Testing of racing participants to ensure the safety of all riders, other participants and horses participating in the industry continued, and the number of samples taken returned to pre-covid levels. The sampling activity for the past three racing seasons are detailed in the table below;

Sample Type	2021/22	2020/21	2019/20
Number of Samples (Urine)	37	12	21
Number of Samples (Breathalyser)	57	27	105
Number of Samples (Saliva)	83	26	65
No. of positive tests	5	2	6
Total Samples	177	65	191

Disciplinary and related matters

The department conducted 90 inquiries (this figure does not include Reprimands and Fines imposed for whip related breaches), however, it included matters ranging from careless riding to horses being presented to race with a prohibited substance present in their system.

A summary of the matters are;

Inquiry subject matter	Number of inquiries conducted
Careless riding	59
Other riding related matters	2
Riders - Whip Breaches (suspensions)	4
Riders raceday conduct (suspensions)	2
Banned substances (human)	4
Prohibited substances (horse)	3
Other matters ranging from conduct to failure to report matters	16

Whip related breaches	Reprimands	Fines	Suspensions	Total
Action taken	245	50	4	299

Appeals to Racing Appeals Tribunal	Withdrawn	Dismissed	Penalty varied	Upheld
Number	3	2	5	0

It is noted that one (1) appeal is yet to be determined

Licensing & Registration

The department continued to perform the licensing functionalities associated with the local industry and also the processing of registration of horse ownership, leases, syndicates and matters submitted for consideration by Syndicators and/or Authorised Representatives dealing with the syndication of horses.

The number of licenses processed, by the Department under delegated authority from the Racing SA Board, which included Trainers, Jockeys and other industry participants totalled in the order of 1150 and as Deputy Registrar we processed registrations and other related matters totalling in the order of 950.



Johan Petzer
General Manager Integrity Services

Financial Report



2022 The Goodwood

Winner: Lombardo

Trainer: Mick Price and
Michael Kent (Jnr)

Jockey: Zac Spain

8

2022

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Directors' Report

RACING S.A. LIMITED

The Directors present their report together with the financial report of Racing SA Limited ("the Company") for the year ended 30th June 2022 and the Auditor's Report thereon.

Directors

The directors of the Company during the financial year were:



Mr Robert Rorrison

B.Ec (Adel); FCA

Chair

Current Positions:

- Senior Advisor, ECM and M&A Advisory for Taylor Collison Limited
- Executive Chair, Climate Capital Pty Ltd
- Non Executive Director, Baiyin International Investments Limited
- Director, Racing Australia Limited

Racing SA Committees

- Chair - Management Performance & Remuneration Committee
- Member - Finance & Audit Committee
- Member - Racing Committee

Previous Positions

- Chairman Resources Asia, Macquarie Capital Limited
- Executive Director, Macquarie Capital Limited
- Chairman, Twenty Seven Co. Limited
- Non-Executive Director, Banro Corporation Limited



Mr Brett Dixon

Deputy Chair

Current Positions:

- Director - Dixon Group Developers
- Director - Jaytex Constructions SA/NT
- Director - Darwin Corporate Park
- Director - NT Motorcycles P/L

Previous Positions:

- Chair of Thoroughbred Racing NT
- Chair of Darwin Turf Club (2008-2021)

Racing SA Committees:

- Chair - Racing Committee
- Member - Management Performance & Remuneration Committee



Mr Stephen Watts

Current Positions:

- Partner - Tillbrook Rasheed

Racing SA Committees

- Member - Finance & Audit Committee
- Member - Racing Committee



Mr Grant Harrison

Bachelor of Business (Mktg)
Ass. Diploma Management (Mktg)

Current Positions:

- Director – Commonwealth Games Australia
- Director – Australian Commonwealth Games Federation

Racing SA Committees

- Chair – Governance Committee
- Member – Marketing Committee
- Member – Finance & Audit Committee

Previous Positions

- General Manager – SA TAB
- Gymnastics Australia Board
- Australian Olympic Committee Board
- Chair – Gymnastics South Australia
- Southern Football League Board



Mr Cos Cardone

Current Positions:

- Chief Executive Officer – McGuire Media
- Director – Port Adelaide Football Club

Racing SA Committees

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

Previous Positions

- Director of Sport & Entertainment – Nine Network



Mr Matt Lloyd

Current Positions:

- National Manager of Sales, Marketing & Innovation – Bluescope Steel

Racing SA Committees

- Member – Marketing Committee

Previous Positions

- Netball South Australia Board
- World Tennis Challenge Tournament Board



Mr Timothy Stokes

LLB/LP (Hons), BCom (Acc/Fin), LLM (Tax), FTA, Accredited Tax Law Specialist (Law Society of SA)

Current Positions:

- Partner – HWL Ebsworth Lawyers
- Member – ATO Not-for-profit Stewardship Group

Racing SA Committees

- Member – Governance Committee

Previous Positions

- Director – Deloitte's Legal & Tax Practice

Directors' Report

(continued)

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 Racing SA Ltd
-----------------------------	--

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.
- (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 work cover 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.

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;

(continued)

Review and Results of Operations

Review of Operations

The company's operating surplus for the year was \$1,079,840. Total comprehensive income was a surplus of \$1,067,170

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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 funding parity with other States from revenue raised by the Betting Operations Tax.
- Delivery of on course stabling at Murray Bridge and Gawler.
- Delivery of inner turf training track at Murray Bridge.
- Continued development of race programs and handicapping practices aimed at growing field sizes and driving an increase in wagering revenue.
- 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 welfare education and support for retired thoroughbred racehorses.
- Raise awareness of the career pathways in racing and work to increase the number of enrolments in the various courses for stable hands and track riders.

Directors' Report

(continued)

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
Mr R Rorrison	10	3		1	1	
Mr B Dixon	9			1	1	
Mr G Harrison	10	3	1			1
Mr C Cardone	10		1		1	
Mr S Watts*	10	3		1		
Mr M Loyde*	10		1			
Mr T Stokes*	10					1
Total Meetings Held	10	3	1	1	1	1

Other Matters

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 30 and forms part of the directors' report for the financial year ended 30th June 2022.

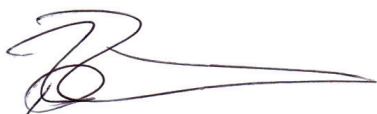
Insurance of Officers

The Company has paid insurance premiums in respect of directors' and officers' liability insurance contracts for current directors and officers.

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

Dated at Adelaide this 30th September 2022

Signed in accordance with a resolution of directors:



Robert A Rorrison
Director

Auditor's Independence Declaration

WilliamBuck
ACCOUNTANTS & ADVISORS

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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2022, 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 (SA)
ABN: 38 280 203 274

G.W. Martinella

G.W. Martinella
Partner

Dated this 30th day of September 2022.

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

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PRAXITY
Empowering Business Globally

Financial Statements

Racing SA Limited
ABN 25 094 475 939
**For the year ended
30 June 2022**

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2.	84,670,651	77,388,928
Finance Income	4.	637,998	675,037
State Government 2019/23 Racing Industry Grant	3.	3,851,645	2,593,085
Prizemoney & Unplaced Subsidies		(48,455,632)	(43,321,604)
Racing Rewards SA Bonuses		(2,218,975)	(2,060,850)
Industry Payments	5.(a)	(19,403,245)	(12,929,835)
Interstate Racefield Fees Paid		(7,038,936)	(8,174,402)
Employee Benefits Expense		(5,386,017)	(4,561,966)
Depreciation Expense		(509,718)	(509,907)
Legal & Professional Fees		(291,901)	(317,491)
Finance Costs	5.(b)	(99,883)	(75,167)
Other Expenses	5.(c)	(4,676,147)	(3,802,483)
NET SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES		1,079,840	4,903,345
Loan Impairment - Mt Gambier Racing Club Inc.		(6,057)	-
Federal Government Assistance		-	549,000
NET SURPLUS FOR THE YEAR		1,073,782	5,452,344
OTHER COMPREHENSIVE INCOME:			
Net fair value gain or loss on re-measurement of in equity securities investments in equity securities		(126,113)	267,580
Revaluation of Investment in Racing Australia Ltd		119,500	6,138
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,067,170	5,726,062

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6.	21,465,053	22,790,876
Trade and other receivables	7.	6,533,808	4,110,333
Other assets	8.	411,266	138,037
TOTAL CURRENT ASSETS		28,410,127	27,039,246
Non-current assets			
Plant and equipment	9.	782,424	980,060
Financial assets - Investments	10.	16,378,297	16,654,893
Right of use asset	11.	1,193,923	1,061,404
TOTAL NON-CURRENT ASSETS		18,354,644	18,696,357
TOTAL ASSETS		46,764,771	45,735,604
Liabilities			
Current liabilities			
Trade and other payables	12.	3,782,837	8,273,042
Provisions	13.	863,356	694,232
Other liabilities	14.	5,417,529	425,775
Lease liabilities	16.	187,163	147,767
TOTAL CURRENT LIABILITIES		10,250,885	9,540,816
Non-current liabilities			
Provisions	13.	51,536	71,384
Other liabilities	14.	927,889	961,530
Financial liabilities	15.	4,187,572	5,000,000
Lease liabilities	16.	1,104,511	986,665
TOTAL NON-CURRENT LIABILITIES		6,271,508	7,019,579
TOTAL LIABILITIES		16,522,393	16,560,395
NET ASSETS		30,242,378	29,175,209
Equity			
Reserve	17.	1,732,381	1,738,994
Retained profits		28,509,997	27,436,215
TOTAL EQUITY		30,242,378	29,175,209

The accompanying notes form part of these financial statements.

Financial Statements

Racing SA Limited
ABN 25 094 475 939
For the year ended
30 June 2022

(continued)

Statement of Changes in Equity

For the year ended 30 June 2022

	Financial Asset Reserve	Retained Profits	Total
	\$	\$	\$
BALANCE AS AT 30 JUNE 2020	1,465,276	21,983,870	23,449,146
Net Surplus for the year	-	5,452,344	5,452,344
Other Comprehensive Income for the year	273,718	-	273,718
BALANCE AS AT 30 JUNE 2021	1,738,994	27,436,215	29,175,209
Net Surplus for the year	-	1,073,782	1,073,782
Other Comprehensive Income for the year	(6,613)	-	(6,613)
BALANCE AS AT 30 JUNE 2022	1,732,381	28,509,997	30,242,378

The accompanying notes form part of these financial statements.

(continued)

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts in the course of operations		90,338,699	85,847,523
Receipt from government grants		4,236,810	3,456,294
Payments in the course of operations		(96,298,373)	(78,105,903)
Interest received		582,147	507,601
Dividends received		55,850	167,436
Repayments from Clubs		173,028	213,850
Borrowing costs		(99,883)	(121,735)
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	18.	(1,011,722)	11,965,066
Cash flows from investing activities			
Proceeds on disposal of plant and equipment		16,226	130,865
Payments for plant and equipment		(408,829)	(652,548)
Loans to external parties		269,982	(3,595,844)
NET CASH USED IN INVESTING ACTIVITIES		(122,621)	(4,117,527)
Cash flows from financing activities			
Principal repayments of leased liabilities under AASB16		(191,484)	(155,357)
NET CASH USED IN FINANCING ACTIVITIES		(191,484)	(155,357)
NET INCREASE (DECREASE) IN CASH HELD		(1,325,827)	7,692,183
Cash and cash equivalents at the beginning of the financial year		22,790,876	15,098,693
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6.	21,465,053	22,790,876

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the
year ended
30 June 2022

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 - simplified 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 statements are prepared on a going concern basis.

The financial report was authorised for issue by the Directors of the Company on 30th September 2022

a) Adoption of new and revised accounting standards

The company has adopted all standards which became effective from 30 June 2022. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company

Conceptual Framework for Financial Reporting (Conceptual Framework)

The entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The adoption of this accounting standard has not had a material impact on the entity's financial statements.

(b) Revenue & Other Income

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).

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.

Racing Rewards SA revenue

Racing Rewards SA 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.

Finance Income

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of 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) Finance costs

Finance costs 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 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.

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

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

1. Summary of significant accounting policies

(continued)

(g) Plant and equipment (continued)

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) *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.

(v) *Impairment*

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income, lease receivables, contract assets, loan commitments not measured at fair value through profit or loss and financial guarantee contracts that are not measured at fair value through profit or loss.

(continued)

Loss allowance is not recognised for financial assets measured at fair value through profit or loss or equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approaches to impairment, as applicable under AASB 9: Financial Instruments.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables and lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

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 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.

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

1. Summary of significant accounting policies (continued)

(k) Employee Provisions (continued)

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.

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.

(continued)

(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 likeliness 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.

	2022	2021
	\$	\$
2. Revenue		
TAB Product Fees and Wagering Tax Relief	26,608,111	30,423,035
Betting Operations Contributions	49,597,711	40,354,074
Screening & International Rights	5,813,662	4,235,387
Racing Rewards SA Subscriptions	309,783	271,817
Registration Fees	258,556	241,945
Publications	75,291	69,152
Marketing revenue received	794,231	885,812
Equine Welfare received	473,251	432,868
Other	740,056	474,837
TOTAL REVENUE	84,670,651	77,388,928

3. Government Grants

During the course of the year, the Company received grants from the SA Government totalling \$3,851,645 (2021: \$2,593,085) 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.

4. Finance Income

Interest income	582,147	507,601
Dividend income	55,851	167,436
TOTAL FINANCE INCOME	637,998	675,037

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

	2022	2021
	\$	\$
5. Expenditure		
(a) Industry Payments		
Training Grants and Raceday Usage payments	1,772,500	1,706,000
Race Day Payments & Costs	3,635,678	3,804,637
Club Promotion and Operational purposes	3,938,883	4,278,260
Club Capital Expenditure	7,356,133	677,010
Workcover & Insurance - Jockeys	1,858,150	1,722,292
Industry Staff Costs	841,902	741,636
TOTAL INDUSTRY PAYMENTS	19,403,245	12,929,835
(b) Finance Costs		
Interest expense	99,883	75,167
TOTAL FINANCIAL EXPENSES	99,883	75,167
(c) Other Expenses		
Advertising & Marketing	1,233,786	1,054,082
Marketing Professional Fees	164,522	143,335
Publication Expenses	187,550	212,336
Swab & Veterinary Supplies	574,136	601,248
Equine Welfare expenditure	474,190	432,868
Information & Technology	143,546	170,803
Insurance	383,245	330,361
Other	1,515,171	857,450
TOTAL OTHER EXPENSES	4,676,147	3,802,483

(continued)

6. Cash and cash equivalents	2022	2021
	\$	\$
Current		
Cash at bank and on hand	11,000,723	12,328,753
Short-term bank deposits	10,464,330	10,462,123
	<u>21,465,053</u>	<u>22,790,876</u>

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 2022 is \$770,024 (2021: \$473,123). These funds are not included in the amounts at Note 6 above.

7. Trade and other receivables

Current		
Trade receivables	5,146,585	3,523,406
Other receivables	1,116,778	137,397
Loans to Thoroughbred Racing Clubs - secured	270,445	449,530
	<u>6,533,808</u>	<u>4,110,333</u>

8. Other Assets

Current		
Prepayments	411,266	138,037
	<u>411,266</u>	<u>138,037</u>

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

9. Plant and Equipment	2022	2021
	\$	\$
Non-current		
Plant and equipment - at cost	3,069,968	3,876,509
Less: accumulated depreciation	(2,699,309)	(3,379,140)
Motor Vehicles - at cost	941,332	651,353
Less: accumulated depreciation	(529,567)	(168,661)
TOTAL	782,424	980,060

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:

Plant & Equipment

Carrying amount at the beginning of the year	497,368	516,117
Additions at cost	94,903	223,767
Disposals at cost	-	-
Profit on Disposal	1,545	-
Depreciation expense	(219,198)	(242,516)
CARRYING AMOUNT AT END OF YEAR	374,618	497,368

Motor Vehicles

Carrying amount at the beginning of the year	482,692	217,926
Additions at cost	313,927	428,779
Disposals at cost	(16,226)	(130,865)
Profit on Disposal	256	47,390
Depreciation expense	(372,843)	(80,538)
CARRYING AMOUNT AT END OF YEAR	407,806	482,692

Depreciation Expense includes Full Depreciation of Horse Ambulances coded to Welfare Expense

(continued)

10. Financial assets - Investments	2022	2021
	\$	\$
Non-current		
- Loan Burke Urban Gifford Hill	9,850,663	10,527,198
- Loan Gifford Hill Joint Venture	3,762,600	3,356,047
Financial assets		
- Investment in Racing Australia Limited	1,761,606	1,642,106
- Listed equity securities available for sale	1,003,429	1,129,542
	16,378,297	16,654,893

The loan to Burke Urban Gifford Hill forms part of the \$9,850,663 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 \$9,850,663.

The loan to Gifford Hill Joint Venture is part of an additional \$5M loan facility provided to the Burke Urban Gifford Hill Joint Venture repayable within 2 years of first drawdown.

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

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 financial assets which existed at 30 June 2022.

11. Rights-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.

Leased Building	1,298,015	1,298,015
Accumulated depreciation	(406,333)	(270,889)
Leased photocopier	137,097	137,097
Accumulated depreciation	(137,085)	(102,819)
Leased printer	348,726	-
Accumulated depreciation	(46,497)	-
	1,193,923	1,061,404

AASB 16 related amounts recognised in the statement of profit or loss:

Depreciation related to right-of-use assets	216,207	186,852
Interest expense on lease liabilities	47,811	46,568

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

	2022	2021
	\$	\$
12. Trade and other payables		
Current		
Trade payables	2,043,674	1,688,004
Other payables and accruals	1,739,162	6,585,038
TOTAL	3,782,837	8,273,042

13. Provisions

Current		
Employee benefits - annual leave	402,532	283,064
Employee benefits - long service leave	460,824	411,169
	863,356	694,232
Non-current		
Employee benefits - long service leave	51,536	71,384
	51,536	71,384
TOTAL PROVISIONS	914,892	765,616
Opening balance at 1 July	765,616	870,795
Net provision movement during the year	468,214	397,266
Amounts used	(318,937)	(502,444)
BALANCE AT 30 JUNE	914,892	765,616

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 2022/23 Financial Year and as such is not a true representation. Historically, approximately \$80,000 of Long Service Leave in total has been taken by employees in any one year.

(continued)

14. Other liabilities	2022	2021
	\$	\$
Current		
Income received in advance - general	5,286,954	295,575
Income in advance - TABCorp Ltd	130,575	130,200
	5,417,529	425,775
Non-current		
Income received in advance - general	407,467	310,533
Income in advance - TABCorp Ltd	520,422	650,997
	927,889	961,530
TOTAL OTHER LIABILITIES	6,345,418	1,387,305

15. Financial Liabilities**Non-current**

Loan from SA Government	4,187,572	5,000,000
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16. Lease Liabilities**Current**

Lease liabilities	187,163	147,767
	187,163	147,767

Non-current

Lease liabilities	1,104,511	986,665
	1,104,511	986,665

TOTAL LEASE LIABILITY

	1,291,674	1,134,432
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a) Finance Leases

Minimum lease payments:

- Not later than one year	233,251	188,304
- Between one year and five years	1,086,716	832,292
- Later than five years	133,339	289,579
Minimum lease payments	1,453,306	1,310,175
- Less: finance changes	(161,631)	(175,743)
- Present value of minimum lease payments	1,291,674	1,134,432

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

16. Lease Liabilities (continued)	2022	2021
	\$	\$

b) 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 the lease commencement date. The weighted average incremental borrowing rate applied to the lease liabilities was 3.82%.

17. Reserve

Financial Asset Reserve

The financial asset reserve includes the cumulative net change in the fair value of investments until the investment is derecognised.

18. Cash flow information

Reconciliation of net surplus for the year to net cash provided by operating activities

Net surplus for the year	1,079,840	5,452,344
Less items classified as investing/financing:		
- (Profit) on sale of investments	(1,801)	(47,390)
Add/(less) non-cash items:		
- Depreciation expense	509,718	509,907
Equine Ambulances Fully Depreciated	298,530	-
- Loan impairment	(6,057)	-
Net cash from operating activities before change in assets and liabilities	1,880,229	5,914,861
Change in assets and liabilities during the period:		
(Decrease) / Increase in provisions	149,276	(105,178)
Decrease / (Increase) in trade receivables	(1,623,179)	270,545
(Increase) / Decrease in other receivables	(979,381)	322,363
Decrease in loans to Thoroughbred Racing Clubs	179,086	213,850
(Increase) in other assets	(273,229)	(49,847)
Increase in trade payables	355,670	764,758
(Decrease) / Increase in other payables and accruals	(4,845,877)	4,629,174
(Decrease) in Financial Liabilities	(812,429)	-
Increase in income received in advance	4,958,112	4,540
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(1,011,722)	11,965,066

(continued)

19. Related party transactions	2022	2021
	\$	\$
Key management personnel compensation		
The key management personnel compensation included in employee expenses are as follows:		
Short-term employee benefits	952,327	837,693
Post-employment benefits	73,484	79,581
	<u>1,025,811</u>	<u>917,274</u>
Auditor Remuneration		
Remuneration of the auditor of the Company for:		
- Audit of the financial report	24,000	18,900
Directors		
The names of each person holding the position of Director of Racing SA Limited during the financial year are G Harrison, C Cardone, R Rorrison, B Dixon, T Stokes, M Lloyde and S Watts.		
Directors Compensation		
The Directors compensation included in employee expenses are as follows:		
The reduction represents no handover period as during FY21.		
Short-term employee benefits - Directors remuneration	200,047	225,617
Post-employment benefits	20,005	21,434
	<u>220,052</u>	<u>247,051</u>

Notes to the Financial Statements

For the
year ended
30 June 2022

(continued)

19. Related party transactions (continued)

2022

2021

\$

\$

Directors' transactions with the Company

The terms and conditions of the transactions with Directors and Director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to Directors and Director related entities were as follows:

Director	Transaction	Note	2022	2021
Mr C Cardone	TV Production Services	(i)	231,000	-

(i) The Company used the services of associated entities of Mr C Cardone in relation to the production of a TV Show.

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 \$2,395,617 (2021: \$2,101,659) 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 \$63,300 (2021 \$61,848) 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 \$5,151,882 (2021: \$4,683,304) 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 \$259,338 at 30 June 2022 (2021: \$449,530). The loans are secured or capable of being secured. Interest earned by the Company amounted to \$2,908 (2021: \$1,518) and is included in Financial Income in the Statement of Profit or Loss and Other Comprehensive Income.

(continued)

20. Contingent liabilities

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

Racing Rewards SA (formerly SABOIS)

Qualified yearling horses are nominated for the Racing Rewards SA scheme 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 RRSA 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 2022 it is estimated that these future bonuses will be \$5.0M (2021: \$5.0M).

Single National System

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 has taken longer than expected to be completed however we expect this to now be the 2023/24 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 2022 was \$368,630 (2021: \$314,445).

21. 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.

22. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Association in future financial years.

23. Company details

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

24. 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 2022 the number of members was 2.

Directors' Declaration

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 31 to 50, 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 2022 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

R. Rorrison

Dated at Adelaide this 30th day of September 2022

Independent Auditor's Report

WilliamBuck

ACCOUNTANTS & ADVISORS

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 Racing SA Limited (the Company), which comprises the statement of financial position as at 30 June 2022, 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 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 2022, 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.

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

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Independent Auditor's Report

William Buck

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.

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 – Simplified Disclosures 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/ar3.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 (SA)
ABN: 38 280 203 274



G.W. Martinella
Partner
Dated this 30th day of September, 2022.





2022



Racing SA

Annual Report

GPO Box 2646, Adelaide SA 5001
240 Morphett Road,
North Plympton SA 5037

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