



RACING
SA

Racing SA

Annual Report

2023



Racing SA

Annual Report



RACING SA



RACING REWARDS SA



APPRENTICE ACADEMY SA



RACING OWNERS SA



RACING CAREERS SA

2023

Contents

04 Chairman's Report

06 CEO's Report

14 Racing Highlights

16 Content Highlights

18 Welfare and Education

20 Integrity Report

22 Financial Report



All Racing photos courtesy of
Atkins Photography, Todds Photographic,
Rising Sun Photography & Meaghan Coles



Chairman's Report

Robert A Rorrison

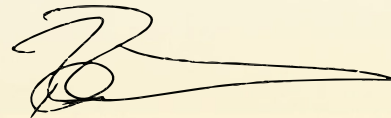
The 2023 Financial year has seen Racing SA continue to make progress against our Strategic Plan and the Four Pillars that form our foundations, being Sustainability; Integrity; Growth; and Engagement.

Important to this has been the financial performance of Racing SA, as set out in this Annual Report, which, combined with the SA Governments agreement to increase the percentage return to the industry from the Betting Operation Tax, has enabled us to continue to fund the infrastructure requirements of the industry and to significantly increase prize money for all thoroughbred races in this State. It is now up to all of us in the Industry to continue to work together and show that the confidence the Government has shown in our industry is well placed and that we are deserving of both continued and further support.



The racing industry can not be complacent about the position we now find ourselves in, while the base we are working from is markedly improved there are many ongoing challenges that we must meet, and new challenges will arise that we must be prepared for. That said I am confident that we have a management team that, with the Board's and importantly the industry's support, is capable of continuing to steer the business forward to the benefit of all of our participants.

I take this opportunity to thank our CEO Vaughn Lynch and his dedicated team from all areas of our industry for their commitment to our four pillars and the exceptional work they have done this year. In addition I would like to thank my fellow directors for the way they have supported the management team throughout the year.



Robert A Rorrison
Chair



Chief Executive Officer Report

Vaughn Lynch

It is with great pleasure that I deliver the CEO's report for the Financial Year ending 30 June 2023. I would like to start by acknowledging the honour I feel being appointed as CEO in November 2022. South Australia has a rich history in racing with some of the biggest names in the sport commencing their careers here and I am delighted to be able to work to continue this tradition as the next generation of stars forge their careers.



Financial Performance

Racing SA reported a net operating surplus of \$7.14M

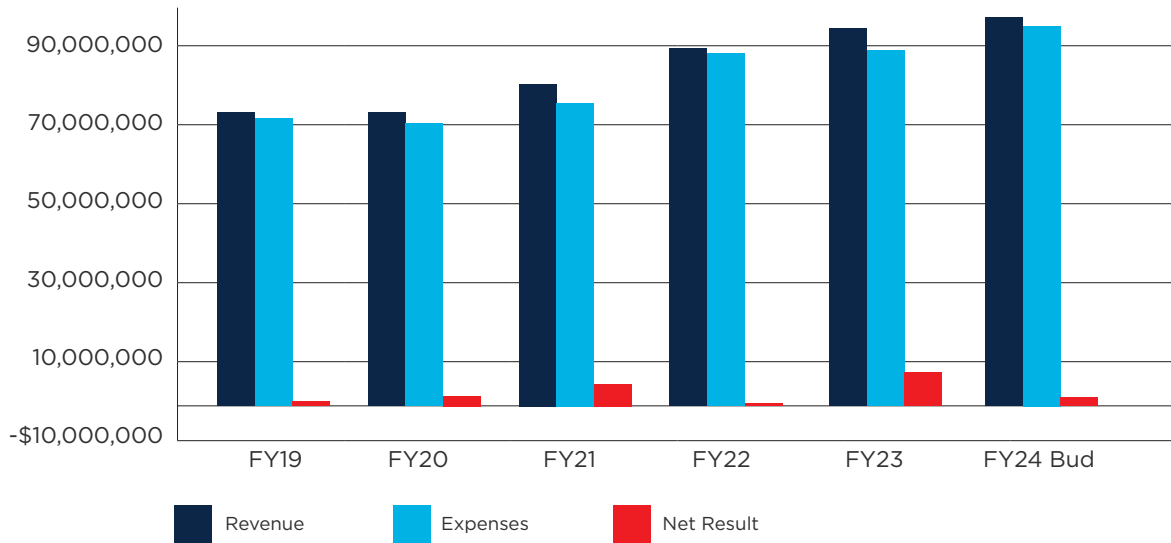
There are a number of factors which contributed to this result:

- Continued focus on programming to best suit the active horse population.
- Field sizes continuing to grow with a field size of 10.3 starters per race (up from 10.1) across the state.
- Increased participation across all levels of the industry.



Operating Result

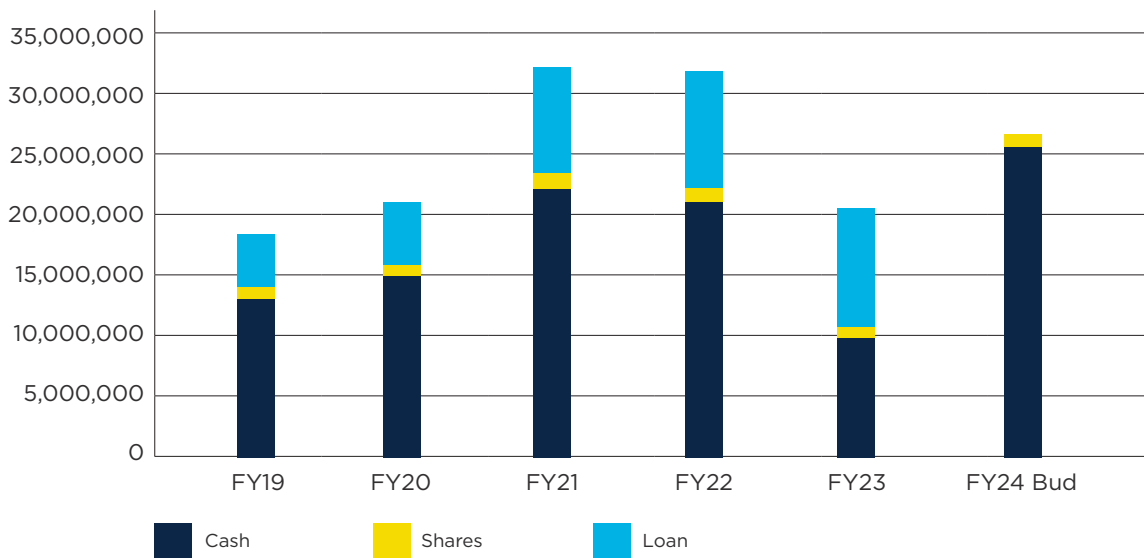
The chart below shows the Company's operating results for FY19 through to FY23 and the FY24 Budget.



	FY19	FY20	FY21	FY22	FY23	FY24 Bud
Revenue	73,133,595	73,427,264	80,657,049	89,160,295	95,707,962	98,427,728
Expenses	71,469,864	70,622,281	75,753,705	88,080,455	88,570,590	95,965,971
Net Result	1,663,731	2,804,983	4,903,344	1,079,840	7,137,372	2,461,757

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 FY19 through FY23 and the FY24 Budget.



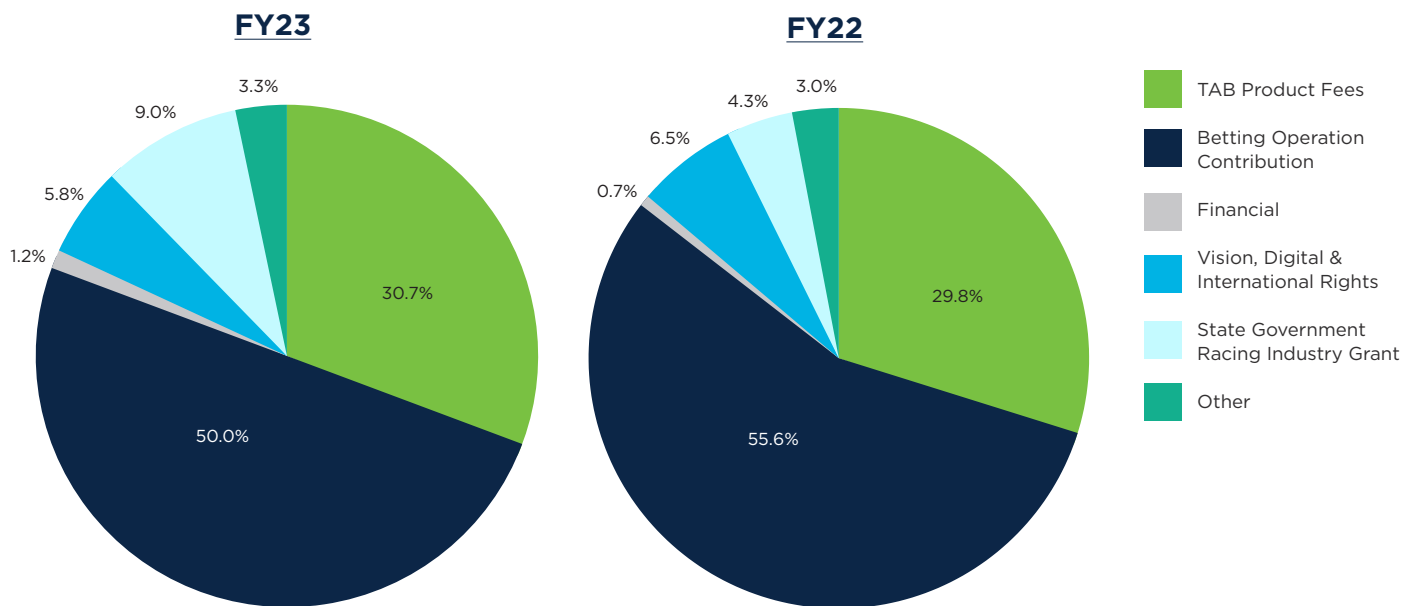
	FY19	FY20	FY21	FY22	FY23	FY24 Bud
Cash	13,131,500	15,098,692	22,790,876	21,465,053	10,220,904	25,652,423
Shares	942,534	861,962	1,129,542	1,003,429	1,080,283	1,134,297
Loan	4,318,099	5,287,402	8,883,245	9,425,690	9,789,064	0
Total	18,392,133	21,248,056	32,803,663	31,894,172	21,090,251	26,786,720

Chief Executive Officer Report

(continued)

Revenue

Revenue was positively impacted by a 10.5% increase in Tabcorp revenue while BOC turnover dropped slightly by 3.5%. The wagering market will continue to be under pressure in FY24 as the impact of Macro economic factors continue to be felt in the broader community. There is also likely to be pressure wagering as a result of increasing tax regimes around the country.



	FY23		FY22		Change	
TAB Product Fees	29,401,254	30.7%	26,608,111	29.8%	2,793,144	10.5%
Betting Operation Contribution	47,871,951	50.0%	49,597,711	55.6%	(1,725,760)	-3.5%
Financial	1,106,305	1.2%	637,998	0.7%	468,307	73.4%
Vision, Digital & International Rights	5,523,401	5.8%	5,813,662	6.5%	(290,261)	-5.0%
State Government Racing Industry Grant	8,660,041	9.0%	3,851,645	4.3%	4,808,396	124.8%
Other	3,145,009	3.3%	2,651,168	3.0%	493,841	18.6%
TOTAL	95,707,962		89,160,295		6,547,667	7.3%

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

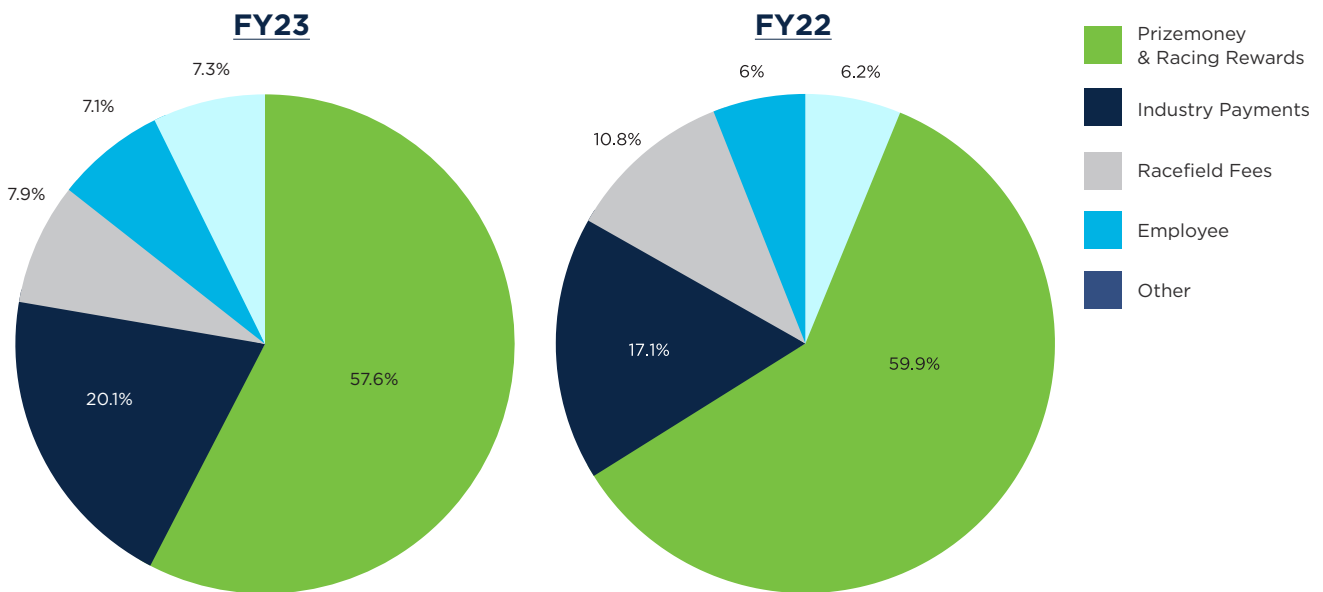
Vision, Digital & International Rights for FY22 included \$722k that actually related to FY21.



(continued)

Expenditure

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



	FY23		FY22		Change	
Prizemoney & Racing Rewards	50,999,693	57.6%	50,674,607	57.5%	325,086	0.6%
Industry Payments	17,830,788	20.1%	19,403,245	22.0%	(1,572,457)	-8.1%
Racefield Fees	6,969,694	7.9%	7,038,936	8.0%	(69,242)	-1.0%
Employee	6,303,228	7.1%	5,386,017	6.1%	917,211	17.0%
Other	6,467,187	7.3%	5,577,649	6.3%	889,538	15.9%
TOTAL	88,570,590		88,080,455		490,135	0.6%

Chief Executive Officer Report

(continued)

People

Legendary trainer Leon MacDonald retired from training at the end of the 2023 Racing Season. Leon's career included many highlights and he is an absolute icon in the Australian training ranks. Congratulations to Leon on a wonderful career and we wish him and Pam all the best in their retirement.

I would like to take this opportunity to reflect on the tragic passing of South Australian born jockey Dean Holland who passed away after falling in a race at Donald in Victoria. Dean rode his first winner at Ceduna in 2006 and was a much loved graduate of the Racing SA Apprentice Academy who went on to build his career in Victoria. Dean celebrated his biggest win earlier in 2023 when riding In Secret to victory in the Newmarket Handicap at Flemington. Dean will be forever in the hearts of the South Australian racing community and we will continue to support his family in every way possible.

The South Australian Racing industry also mourned the loss of Andrew Macdonald and Reg Nolan. Andrew was a much loved employee who began work with Racing SA in 1987. During his time he was integral member of the Racing Department holding down key roles including judging on race days, handicapping and programming along with the production of the Racing SA Magazine.

Reg Nolan was a trainer, Country Racing SA board member and the chairman of the Murray Bridge Racing Club for 18 years before stepping down after the successful move to Gifford Hill in 2020. His vision and leadership during the ambitious move to Gifford Hill was instrumental to the Club achieving its goal and ensuring the certainty and success for the Club's future. They have left an indelible legacy on racing in South Australia.

Infrastructure

The project to construct new stables at the Murray Bridge Racecourse saw the first trainers move horses in during June 2023. The delivery of the stables is the culmination of many years planning and construction which now sees the Murray Bridge Racetrack regarded as one of the premier racing and training complexes in the country.

Work commenced at the Penola racecourse to undertake a track realignment and irrigation project which will be up and running in early 2024.

Gawler and Barossa Jockey Club has built two barns of 20 stables to increase their training footprint and add opportunities to increase the active horse population.

Partnerships

Racing SA and the Labor Government in South Australia have established a fantastic working relationship which was demonstrated through the Governments announcement of an increase in the pass through of the Point of Consumption Tax (POCT) to 20% (from 10%). This has assisted in Racing SA being able to increase prizemoney by 15% in FY24 and also increase club funding, Racing Rewards SA Bonuses and the riding fee for jockeys. We look forward to working further and closer with the State Government to illustrate what racing means to South Australians, along with all the benefits racing provides.

I would like to acknowledge the tireless work of Clubs who are the face of racing in South Australia. From the SAJC at Morphettville through the vast network of clubs right across South Australia, your work is much appreciated and valued.

Racing SA continues to grow our partnerships with our Wagering Service Providers (WSP's) who provide the vehicle through which punters provide the revenue for our industry. We will continue to work closely with all operators to ensure that we can continue to grow revenue in a safe, sustainable manner.

I would like to acknowledge the hard working participants who are responsible for providing the racing that we all love. The early mornings, the long drives and the tireless effort that is put in by racing participants is very much understood and appreciated. Racing SA is committed to providing an industry which values and rewards this effort from the participant base.

Strategic Plan

The Racing SA Strategic Plan for 2021-23 is nearing completion with the key target of increasing the active horse population by 300 horses having been achieved, reaching a total of 323 horses. Racing SA will consult with all industry stakeholder groups in order to ensure that the next Strategic Plan continues to meet the needs of the industry.



(continued)

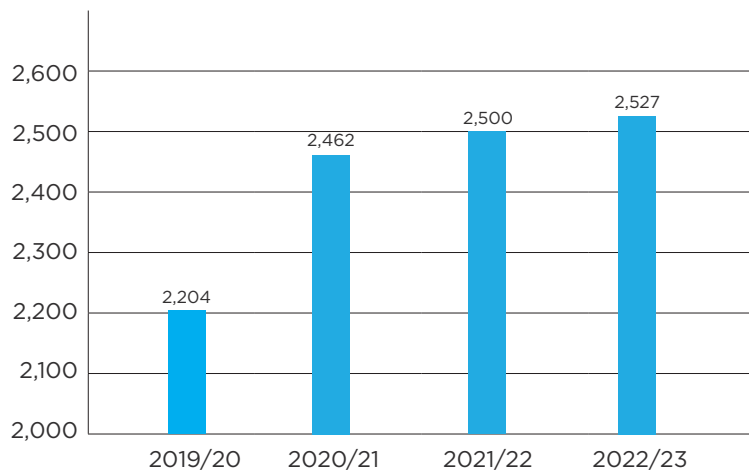
Racing SA Statistics

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
FY23	54	496	81	4977	10.0

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	9.2
FY21	115	875	164	8,439	9.6
FY22	117	884	109	8,966	10.1
FY23	112	849	93	8829	10.4

All	Meetings	Races	Races NTD	Starters	Ave Starters per Races
FY19	175	1,359	400	12,213	9.0
FY20	171	1,350	345	12,403	9.2
FY21	167	1,343	266	12,997	9.7
FY22	170	1,365	198	13,741	10.1
FY23	166	1345	174	13806	10.3

Active SA Horses



The results in FY23 continue to be positive with the key highlights as follows

No third dividend races declined by 12%, year on year and are now **57%** lower than they were in FY19



Average starters per TAB race were 10.3 an increase of **2%** year on year and **14%** higher than FY19



Active Horses in SA were 2,527, an increase of **27** horses in FY23 and **15%** higher than the 19/20 Racing Season.



Chief Executive Officer Report

(continued)

The Future

In closing I would like to acknowledge the Racing SA Board for having the confidence to appoint me as Chief Executive Officer in November 2022. I would also like to acknowledge the previous CEO Nick Redin for his work at Racing SA over many years. I am very thankful for the fantastic team we have at Racing SA, and I will continue to do everything in my power to assist them to grow in their careers, confident in knowledge that this will not only assist them as individuals but also serve the wider racing industry.

The future will be challenging as we deal with a changing wagering environment, combined with increased regulatory pressure around many aspects of the industry. However provided the industry continues to work together, I am confident that we will continue to grow racing in South Australia and maintain our rightful place in South Australian culture.

Vaughn Lynch
Chief Executive Officer



In FY23 the 164 stables at Murray Bridge were completed and the first influx of trainers have now taken up residence 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



The restructure of the Penola course proper will result in a wider circumference and the ability to have more starters.



Racing Highlights

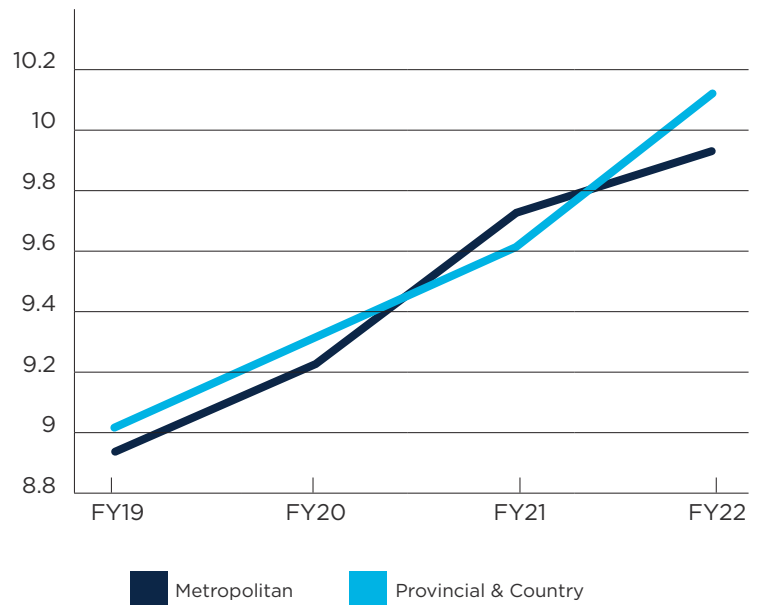
Nick Bawden

General Manager - Operations

The 2022/23 racing season included many highlights for both participants and horses while continuing the strategy to grow the active horse population and field sizes.



Average Field Sizes



Average field sizes across the State continued to trend above 10 starters per race for consecutive years.

Racing Highlights

The key racing highlights for the 2022/23 racing season included:

Four weeks of Carnival racing with each Group 1 featured on its own day. The Maher and Eustace team dominated winning three of the four Group Ones, with Patrick Payne training his first Group One winner with Dunkel taking out the Derby.

Group 1 winners for the carnival were:

Australasian Oaks – **Affaire A Suivre**
 Sangster Stakes – **Ruthless Dame**
 SA Derby – **Dunkel**
 The Goodwood – **Royal Merchant**



South Australian trained horses that competed successfully interstate included Kemalpassa, See You In Heaven, Ironclad, Aitch Two Oh, Not Usual Glorious and Hasta La War.



Rebel Raider



continued his staying legacy when Rebel Racer won the Adelaide Cup, providing Ami and Ash Yargi with their first Adelaide Cup. This also saw the first Adelaide Cup victory for well-travelled jockey Craig Newitt who is a frequent visitor to Adelaide racing.

Richard and Chantelle Jolly

claimed their second Metropolitan Trainers Premiership and State Premiership.

Garret Lynch

claimed consecutive Provincial/Country Premierships.

Jake Toeroek

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



Caitlin Jones

who was victorious last year in the International Jockeys Challenge in Saudi Arabia and was invited back to defend her title, again competed against some of the world's best hoops.

Alana Livesey

emerged as the most improved and leading Apprentice after taking an incredible 609 rides for the season, with 65 wins giving her a strike rate above 10%.



Richard and Chantelle Jolly ventured to Melbourne with See You In Heaven being successful in the Group 2 Sandown Guineas. Stablemate

Aitch Two Oh

was also successful in the Group 3 Red Roses at Flemington on Oaks Day.

Nonamelane

made it the first Balaklava Cup win for Will Clarken and Todd Pannell, halting the momentum the McEvoy stable had on the race, winning the three previous editions.



The season saw classy gallopers **Rialtor, Clever Man, Goliotis and Dr Dee Dee** all win Country Cups. With **Clever Man** winning multiple Country Cups.



Group 1 winning trainers **Dean and Gary Alexander**

saddled up their first starters from their new Murray Bridge base.

Season 2022/23 saw the retirement of legendary multiple Group One winning trainer

Leon Macdonald, handing over the reins of the partnership to **Andrew Gluyas** to train in his own right.

The momentum of Magic Millions Race Day at Murray Bridge continued in its second year.

The 3 and 4YO Classic

was run again in conjunction with the Magic Millions 2YO Classic. The Hayes' Brothers prepared Tacito to take out the 2YO Classic, Stupendo, trained by Danny O'Brien and ridden by Kayla Crowther, winning the 3 and 4YO version.



Nick Bawden

General Manager - Operations

Content Highlights

Michelle Greene

General Manager Communications, Media and Content



Key media highlights

- **Adelaide Cup**
 - Front page of the Advertiser on Adelaide Cup Day featuring jockey Alana Livesey
- **Adelaide Cup Barrier Draw coverage including:**
 - Chis Waller interviews on 5aa and Channel 7 regarding the King's horse Chalkstream
 - Jamie Kah interview on Fiveaa
 - All commercial stations ran Adelaide Cup Barrier Draw content
 - Live coverage of the Barrier Draw nationally via radio station SEN
- **Adelaide Carnival**
 - Racing SA's relationship with both Channel 7, through national racing, and Racing.com, continued to strengthen throughout the Adelaide Carnival with both entities requesting to use our internally produced packages for all four days of the carnival.

New Initiatives

Racing SA worked on several initiatives in conjunction with Racing.com and Channel 7 to lift the coverage of Adelaide Cup Day;

GimbalCam- wireless camera that provides unique Mounting Yard coverage inside the yard, this technology provides opportunities to access areas we normally cannot due to its wireless capabilities. Jayne Ivil was once again involved in the Cup Day coverage and the GimbalCam assisted her greatly.

Racing.com Contenders Program -For the first time this year, Racing.com filmed their Contenders program on Sunday with Racing SA paying associated costs as well as assisting with talent for the live crosses. Coverage included;

- 60-minute program providing a runner-by-runner preview of the Adelaide Cup
- Additional analysis given to other select feature races on the day (four listed races on the card)
- Terry McAuliffe hosted in the Racing.com studio alongside John Kelton
- LiveU crosses via JT at the Sales Yard in Adelaide with key participants i.e. trainers and jockeys in the Cup

Thorough Care Month

- 58 sign ups to the Thorough Care Newsletter
- 100 Senior Assistance packages given away
- 4x stories on mainstream media
- 20% increase in website hits to the key Thorough Care SA pages (YOY v TC Month)
- **Social**
 - Facebook: 350k org reach, 500k org impressions
 - Twitter: 400k impressions, 5k profile visits, 20 new followers
 - IG: 6000 accounts reached, 550 accounts engaged, 40 new followers

Social Media / Digital

This season both Racing SA and Country Racing SA each launched two new social media apps- Threads and TikTok.

Threads was launched by Instagram's parent company Meta to rival X (Twitter) however has not resonated in the market while TikTok, which was already established in the market, has proven to be a worthy engagement tool particularly with younger demographics.

Digital and social media continues to be an area of growth for Racing SA with TikTok in particular enabling us to reach new audiences through the Thorough Care connections with equestrian, retired race horses and pony clubs.

Our digital channels continue to grow in following and engagement leading to a wider more diverse audience across the country.

Events

The Communications team facilitated a variety of events across the season ranging in size and audience in an effort to encourage participation across the racing industry from ownership through to career pathways. Some of these events included;

- Industry Awards- sit down event for approx. 350 people
- Adelaide Cup Barrier Draw- held at Sol Bar, Sky City Casino
- Morphettville, Terrace Bar Functions- Racing SA hosted over 1,000 people across feature race days including the Autumn Carnival
- Trackwork Breakfasts at various tracks across the state
- Apprentice events
 - Intimate lunch with Katrine Hildyard
 - Apprentice intake day
 - Apprentice awards

Video Production

Throughout the season the Communications team visit various locations including stables, racetracks and events both locally and regionally, to shoot content. This content is then edited and used in a variety of ways to promote the industry. Some of the highlights this season included;

- Creation of television commercials for 8 Clubs for use on Channel 7 and Racing.com
- Social media and digital reels including interviews with trainers, jockeys, owners and racing participants from all parts of the industry
- Selling in content to commercial stations- high success rate providing packages to Channel 7 and Racing.com
- Features on trainers we filmed and produced appeared on racing.com and socials and received positive feedback
- Videos content on socials have received over 200,000 views combined on all platforms, with the best performing video a behind the scenes with feature with John Letts & Teagan Voorham
- Education packages for the Careers / Thorough Care
- Show reels for sponsored events eg. Adelaide show
- Awards night vision

Campaign collateral

During the last year the Communications team has helped develop and refresh the 5 sub brands - Thorough Care SA, Apprentice Academy SA, Racing Owners SA, Racing Careers SA, and Racing Rewards SA.

This included developing digital and hard copy collateral for events such as the Royal Adelaide Show, Careers Expos, Magic Millions Sales, Track Work Breakfasts, the Apprentice Academy Intake Day along with many other events.

The team also produced other various collateral for racing related campaigns including the Adelaide Racing Carnival.

Publications

Country Racing Event Guide

Published at the start of the 2023/24 racing season and building on last year's event guide, the publication's focus was to increase tourism opportunities within the regions. As the guide was designed with tourism as the focus the sections were categorised into regions rather than event order, promoting country racing as a 'must do' activity when visiting different South Australian regions.

The publication has been widely distributed across South Australia metro and country/regional areas.

Home Turn Magazine

The Communications team in conjunction with the Racing team produce and print the racing calendar publication in house each month which includes racing fixtures and key industry updates and stories.

This racing season the format of the calendar was redesigned and the name changed to Home Turn magazine.

In addition to these changes the magazine is now also sent to key media outlets and government departments in an effort to increase awareness of the industry and to demonstrate our strength and reach.

Adelaide Carnival Event Guide

To assist with attracting interstate trainers and owners to visit South Australia for the Adelaide Carnival the Communications team work closely with the Racing team to develop a brochure which is sent Australia wide.



Michelle Greene

General Manager Communications, Media and Content

Welfare & Education

John Cornell

Industry Operations and Welfare Manager

The 2022 – 2023 Racing season saw another year of continued growth within the Racing SA Welfare and Education department.



This department consists of three Racing SA sub brands Thorough Care SA, Apprentice Academy and Racing Careers.

We welcomed Keely Rayson into the new role of Equine Welfare Coordinator joining the team of Clare Lindop, Briony Moore and Dean Pettit in providing expert knowledge in their relevant fields

The Welfare and Education team continued to achieve excellent results with focus in the key areas of equine welfare and training which are vital to the continued sustainability of racing in South Australia

The highlights for welfare and training season 2022-2023

Apprentice Academy

Briony Moore and Dean Pettit

- Four SA Apprentices in the Metropolitan top 10 Jockeys and 8 in the top 15.
- Ben Price won Listed Oaklands Plate aboard Tony McEvoy Trained Coco Sun July 2023
- Teagan Voorham won Listed City of Marion Stakes Nov 2022 & Christmas Handicap Dec 2022 aboard Diamonds & Port Adelaide Cup on Hasta La War April 2023 (while still in her apprenticeship)
- 1st Year apprentice Rochelle Milnes won the 2023 Carbine Club Scholarship
- Apprentice Academy peaked at a 10 year high of 27 apprentices during 2022/23 racing season
- The Apprentice Academy welcomed eight new 1st year apprentices and two interstate apprentices relocated to South Australia
- Alana Livesey rode Busker's Ballad for trainer Ryan Balfour in the 2023 Adelaide Cup

- Currently hosting four Hong Kong Jockey Club Apprentices
- 2022/23 Racing Season SA Apprentices had an overall;
 - 5901 race rides
 - 579 winners
 - 1198 placings

Careers and Training

Clare Lindop

- Track work Rider Professional Development” Days
- Conducted 18 days with 16 at Morphettville and one each at Naracoorte and Gawler
- Attend/visit Pony Club Rallies/Horse Shows/ Equestrian SA events
- 11 events including Ceduna Pony Club and Oakbank Pony Club ride to time
- “Festival of Sport” – 3 day “Racing Careers/ Apprentice Academy” Information Booth
- “Behind the scenes – track work morning exploration”
- Nine mornings including Morphettville, Gawler and Strathalbyn
- “Horse Handling Workshops”
- Three workshops conducted at Lincoln Park with 16 students attending
- Work Experience with a Race Horse Trainer
- Organised 11 students to undertake work experience with trainers including Will Clarken and Leon Macdonald
- High School Students Racecourse and stables visit (non-race day)
- Conducted six racecourse visits with high school students from Port Augusta, Port Lincoln, Kangaroo Island and Murray Bridge
- High School Students Race Day “career exploration/ immersion activity” for High School Students
- Conducted two race days with students at Mount Gambier and Gawler
- “Racing Career’s SA” Expo – trade stall set up
- Three trade stalls Roseworthy College, Urrbrae High School and Gawler High School
- “Day at the races” for Pony Club Members
- Hosted 20 kids aged 6 – 16 from Pony Clubs at an Oakbank race day

Thorough Care SA

Keely Rayson

- Thorough Care SA sponsored over 40 Equestrian events throughout the 2022/2023 financial year
- Provided 251 retired Thoroughbreds with Thorough Care SA Assistance Packs in conjunction with our partners at Hygain, PETstock, HorseRecords, APEX Therapy, Roseworthy Veterinary Hospital, and HorseMed SA
- Introduced APEX Therapy, Roseworthy Veterinary Hospital, and Horsemed SA initiatives into the Thorough Care SA Assistance Pack
- Held five Clinics with expert riders and teachers, for more than 80 horse and rider combinations
- Provided emergency welfare care and assistance to horses in need
- Supported rescue and rehabilitation sanctuary’s Windamere Horse Haven and Lincoln Park, by providing feed and funding veterinary care for horses surrendered or found in poor condition
- Worked with the RSPSA to resolve welfare situations
- Organized an education evening with Hygain called “Feeding the OTT” To educate owners about the nutritional demands of recently retired racehorses
- Worked with Gary Slack to run a Saddle & Gear Fitting Clinic
- Provided sponsorship to riders travelling interstate to compete
- Provided funding to install misting systems for race day stalls to be used during summer at Oakbank and Port Lincoln Race Courses



John Cornell

Industry Operations and Welfare Manager



Integrity Report

Johan Petzer

General Manager Integrity Services



At the start of the period under review Racing SA's Integrity department completed a restructure of its management structure, which included splitting my role as General Manager Integrity/ Chairman of Stewards into two distinct and dedicated roles.



This structural change led to the well-deserved appointment of Matt Santoro, who has served the industry for in excess of twenty five years, as Chairman of Stewards. In addition we welcomed Peter Ryan, a very experienced Steward from Victoria, who was appointed Deputy Chairman of Stewards.

The department's core focus in managing and maintaining integrity in the industry was given effect to through functionalities which included race day and trial management, the provision of veterinary services, the sampling of horses and participants, non-race day surveillance activities, race day and non-race day inquiries and investigations, and licensing and registration of participants, horses and ownerships. For most of the period under review, the department managed the integrity related functions with a full-time staff complement, which included nine Stewards, one Compliance Officer, one Veterinarian, two administration staff members, and a number of casual staff members.

The Stewards presided over inquiries which covered a wide range of matters involving offences under the rules of racing. These matters ranged from careless riding, prohibited substance cases, banned substance cases, participant conduct and horse welfare.

Key Data

Sampling (Equine)

Sampling of horses was again a key focus area for the department to ensure a level playing field for all participants. A total of 3866 equine samples were collected during the season from horses which participated in races and trials, with prohibited substances detected in 6 samples (0.15%) - up from 3 (0.08%) in the previous season. Of the 6 samples; 3 detected the presence of Arsenic, 1 - Ipratropium, 1 - Dexamethasone and 1 - Nicotine & Cotinine.

The sampling activity for the past three racing seasons, are detailed in the table below;

Sample Type	2022/23	2021/22	2020/21
Post-race urine/blood samples	1280	1275	1271
Pre-race blood samples (TCO ₂)	1278	1152	1452
Post-race blood samples (TCO ₂)	0	0	2
Pre-race blood/urine samples	1239	1164	1474
Post-trial samples	5	0	8
Non-Race Day samples/OOC	64	103	24
No. of positive tests	6	3	1
Total Samples	3866	3694	4231

Sampling (Participants)

Sampling of racing participants to ensure the safety of all riders, other participants and horses participating in the industry continued. The sampling activity for the past three racing seasons are detailed in the table below;

Sample Type	2022/23	2021/22	2020/21
Number of Samples (Urine)	19	37	12
Number of Samples (Breathalyser)	40	57	27
Number of Samples (Saliva)	82	83	26
No. of positive tests	0	5	2
Total Samples	141	177	65

Disciplinary and related matters

The department conducted inquiries which included matters ranging from careless riding to horses being presented to race with a prohibited substance present in their system. A summary of these matters are tabled below;

Inquiry subject matter	Number of inquiries conducted
Riders - Careless riding	70
Riders - Other riding related matters	0
Riders - Raceday conduct (suspensions)	0
Banned substances (participant)	2
Prohibited substances (horse)	5
Other matters ranging from conduct to welfare matters	16

Action taken in respect of whip related breaches are detailed in the table below;

Whip related breaches	Reprimands	Fines	Suspensions	Total
Action taken	324	41	10	375

The table below details the number of cases dealt with by the Racing Appeals Tribunal in South Australia;

Appeals to Racing Appeals Tribunal	Total	Upheld	Dismissed	Penalty Confirmed	Penalty varied	Withdrawn
Number	10	1	8	5	3	1

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 750 and as Deputy Registrar of Racehorses we processed ownerships (808), leases (95) and syndicates (170) totalling 1073 transactions.

Liaisons & Contacts

The department continued to liaise with a number of organisations and/or stakeholders on relevant matters, including various State and National bodies and Racing Australia. We also actively participated on the Racing Australia National Chairmen of Stewards Committee and the Veterinary and Analysts Advisory Group. In addition, the close working relationship with the Hong Kong Jockey Club, in respect of the training of apprentice jockeys, continued during the season under review.

Appreciation

In closing I would like to express my sincere appreciation to the department's staff for their dedication and continuous professional approach, without which we would not be able to effectively manage our operations and deliver our services. I also thank Racing SA senior management and the Board of Racing SA for their support. Their commitment to ensure adequate resources are allocated to the integrity functions performed by the department is appreciated and valued.



Johan Petzer
General Manager Integrity Services

Financial Report





2023

Contents

Racing SA Limited ABN 25 094 475 939
Financial Report for the financial year ended 30 June 2023

24 Directors' Report

29 Auditor's Independence Declaration

30 Financial Statements

34 Notes to the Financial Statements

50 Directors' Declaration

51 Independent Auditor's Report

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 2023 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 Consultant, ECM and M&A Advisory for Taylor Collison Limited
- Executive Chair, Climate Capital Pty Ltd
- Director, Racing Australia Limited

Racing SA Committees

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

Previous Positions

- Non Executive Director, Baiyin International Investments Limited
- Chairman Resources Asia, Macquarie Capital Limited
- Executive Director, Macquarie Capital Limited
- Chairman, Twenty Seven Co. Limited



Mr Grant Harrison

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

Deputy Chair

Current Positions:

- Director - Commonwealth Games Australia
- Director - Australian Commonwealth Games Federation
- Chair - Commonwealth Games Australia - Investment Committee
- Commonwealth Games Australia - Finance & Audit Committee

Racing SA Committees

- Member - Racing Committee
- Chair - Governance Committee
- Member - Finance & Audit Committee

Previous Positions

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



Mr Cos Cardone

Current Positions:

- Chief Executive Officer – JAM TV Australia
- Director – Port Adelaide Football Club

Racing SA Committees

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

Previous Positions

- Director of Sport – Nine Network
- Head of Entertainment – Nine Network



Mr Stephen Watts

Current Positions:

- Partner – Tillbrook Rasheed

Racing SA Committees

- Chair – Finance & Audit Committee
- Member – Racing Committee



Mr Matt LLOYDE

Current Positions:

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

Racing SA Committees

- Member – Marketing Committee

Previous Positions

- Director – Community Business Bureau (CBB) (2015 – 2019)
- Director – Netball South Australia (2012 – 2014)
- Director – World Tennis Challenge Tournament (2011-2016)



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
- Co-Chair – ATO Not-for-profit Stewardship Group
- Non- Executive Director – Regenerate Org

Racing SA Committees

- Member – Governance Committee
- Member – Racing Committee



Ms Penelope Lion

Appointed October 2022

Current Positions:

- Non-executive Director – AVMC
- Non-executive Director – Clare Valley Wine and Grape Association
- Managing Director – Bourke & Travers

Previous Positions

- Executive General Manager Events, Tourism Australia



Mr Brett Dixon

**Deputy Chair
Retired October 2022**

Current Positions:

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

Racing SA Committees:

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

Directors' Report

(continued)

Company Secretary

The secretary of the Company at the end of the financial year was:

Mr Nicholas Bawden	Nicholas is the General Manager- Operations of Racing SA
--------------------	--

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

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;

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



(continued)

Review and Results of Operations

Review of Operations

The company's operating surplus for the year was \$7,137,372. Total comprehensive income was a surplus of \$7,271,134

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

The Government of South Australia announced a change to the return of the Point of Consumption Tax to the Racing Industry from FY24. The current return of 1.5% of Net State Wagering Revenue of betting companies offering services to South Australia has been doubled to 3% of Net State Wagering Revenue.

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::

- 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.
- 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.
 - 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.

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 & Audit	Racing	Marketing	Governance	Performance & Remuneration
Mr R Rorrison	11	5	2			3
Mr B Dixon	4*					2*
Mr G Harrison	10	4	2		2	
Mr C Cardone	9			2		3
Mr S Watts	10	5	1			
Mr M Lloyd	10			2		
Mr T Stokes	11		2		2	
Ms P Lion	6*			2		
Total Meetings Held	11	5	2	2	2	3

*Ms P Lion was appointed in October 2022 and was eligible to attend 6 Board meetings.

*Mr B Dixon retired by rotation in October 2022 and was eligible to attend 4 Board Meetings.

Other Matters

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 6 and forms part of the directors' report for the financial year ended 30th June 2023.


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 29th September 2023

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 2023, 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 29th day of September 2023.

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

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
Liability limited by a scheme approved under Professional Standards Legislation.

 **PRAXITY**
Empowering Business Globally

Financial Statements

Racing SA Limited
ABN 25 094 475 939
**For the year ended
30 June 2023**

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2.	85,941,616	84,670,652
Finance Income	4.	1,106,305	637,998
State Government 2019/23 Racing Industry Grant	3.	8,660,041	3,851,645
Prizemoney & Unplaced Subsidies		(48,425,568)	(48,455,632)
Racing Rewards SA Bonuses		(2,574,125)	(2,218,975)
Industry Payments	5.(a)	(17,830,788)	(19,403,245)
Interstate Racefield Fees Paid		(6,969,694)	(7,038,936)
Employee Benefits Expense		(6,303,228)	(5,386,017)
Depreciation Expense		(444,467)	(509,718)
Legal & Professional Fees		(327,561)	(291,901)
Finance Costs	5.(b)	(219,933)	(99,883)
Other Expenses	5.(c)	(5,475,226)	(4,676,148)
NET SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES		7,137,372	1,079,840
Loan Impairment - Mt Gambier Racing Club Inc.		-	(6,057)
Federal Government Assistance		-	-
NET SURPLUS FOR THE YEAR		7,137,372	1,073,782
OTHER COMPREHENSIVE INCOME:			
Net fair value gain or loss on re-measurement of in equity securities investments in equity securities		76,854	(126,113)
Revaluation of Investment in Racing Australia Ltd		56,908	119,500
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,271,134	1,067,170

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6.	10,220,904	21,465,053
Trade and other receivables	7.	10,093,925	6,533,808
Other assets	8.	346,450	411,266
TOTAL CURRENT ASSETS		20,661,279	28,410,127
Non-current assets			
Plant and equipment	9.	8,939,547	782,424
Financial assets - Investments	10.	16,252,328	16,378,297
Right of use asset	11.	988,723	1,193,923
TOTAL NON-CURRENT ASSETS		26,180,598	18,354,644
TOTAL ASSETS		46,841,877	46,764,771
Liabilities			
Current liabilities			
Trade and other payables	12.	2,380,297	3,782,837
Provisions	13.	820,293	863,356
Other liabilities	14.	613,091	5,417,529
Lease liabilities	16.	199,226	187,163
TOTAL CURRENT LIABILITIES		4,012,907	10,250,885
Non-current liabilities			
Provisions	13.	127,366	51,536
Other liabilities	14.	718,339	927,889
Financial liabilities	15.	3,564,467	4,187,572
Lease liabilities	16.	905,286	1,104,511
TOTAL NON-CURRENT LIABILITIES		5,315,458	6,271,508
TOTAL LIABILITIES		9,328,365	16,522,393
NET ASSETS		37,513,512	30,242,378
Equity			
Reserve	17.	1,866,143	1,732,381
Retained profits		35,647,369	28,509,997
TOTAL EQUITY		37,513,512	30,242,378

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 2023

(continued)

Statement of Changes in Equity

For the year ended 30 June 2023

	Financial Asset Reserve	Retained Profits	Total
	\$	\$	\$
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
Net Surplus for the year	-	7,137,372	7,137,372
Other Comprehensive Income for the year	133,762	-	133,762
BALANCE AS AT 30 JUNE 2023	1,866,143	35,647,369	37,513,512

The accompanying notes form part of these financial statements.



(continued)

Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts in the course of operations		91,047,824	90,338,699
Receipt from government grants		9,526,045	4,236,810
Payments in the course of operations		(104,068,204)	(96,298,373)
Interest received		1,067,224	582,147
Dividends received		39,081	55,850
Repayments from Clubs		(288,678)	173,028
Borrowing costs		(219,933)	(99,883)
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	18.	(2,896,641)	(1,011,722)
Cash flows from investing activities			
Proceeds on disposal of plant and equipment		76,864	16,226
Payments for plant and equipment		(8,496,955)	(408,829)
Loans to external parties		259,732	269,982
NET CASH USED IN INVESTING ACTIVITIES		(8,160,360)	(122,621)
Cash flows from financing activities			
Principal repayments of leased liabilities under AASB16		(187,150)	(191,484)
NET CASH USED IN FINANCING ACTIVITIES		(187,150)	(191,484)
NET INCREASE IN CASH HELD		(11,244,151)	(1,325,827)
Cash and cash equivalents at the beginning of the financial year		21,465,053	22,790,876
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6.	10,220,904	21,465,053

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the
year ended
30 June 2023

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 29th September 2023

a) Adoption of new and revised accounting standards

The company has adopted all standards which became effective from 30 June 2023. 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.

Operating Grant Revenue

When the Company receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer);
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant Revenue

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Company offsets the grant against the value of capital expenditure in the balance sheet when or as the Company recognises the capital expenditure under the terms of the grant.

All revenue is stated net of goods and service tax (GST).

(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.

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

1. Summary of significant accounting policies (continued)

(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

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.



(continued)

(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.

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.

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

1. Summary of significant accounting policies (continued)

(k) Employee Provisions (continued)

Other long term employee benefits

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

The Company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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

(l) Provisions

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

(m) Comparative figures

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

(n) Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding

lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight line basis over the term of the lease.

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

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

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

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

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

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.

	2023	2022
	\$	\$
TAB Product Fees and Wagering Tax Relief	29,401,254	26,608,111
Betting Operations Contributions	47,871,951	49,597,711
Screening & International Rights	5,523,401	5,813,662
Racing Rewards SA Subscriptions	444,400	309,783
Registration Fees	266,208	258,556
Publications	63,688	75,291
Marketing revenue received	1,102,108	794,231
Equine Welfare received	469,348	473,251
Other	799,257	740,056
TOTAL REVENUE	85,941,616	84,670,652

3. Government Grants

During the course of the year, the Company received grants from the SA Government totalling \$3,864,476 (2022: \$3,851,645) 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.

Grants from SA Government totalling \$4,795,565 to contribute to the Murray Bridge Stables Project, that were apart of Revenue in Advance at 30 June 2022, were brought in as revenue throughout FY2023

4. Finance Income

Interest income	1,067,224	582,147
Dividend income	39,081	55,851
TOTAL FINANCE INCOME	1,106,305	637,998

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

5. Expenditure	2023	2022
	\$	\$
(a) Industry Payments		
Training Grants and Raceday Usage payments	1,882,310	1,772,500
Race Day Payments & Costs	3,650,482	3,635,678
Club Promotion and Operational purposes	4,229,507	3,938,883
Club Capital Expenditure	5,389,364	7,356,133
Workcover & Insurance - Jockeys	1,698,749	1,858,150
Industry Staff Costs	980,375	841,902
TOTAL INDUSTRY PAYMENTS	17,830,788	19,403,245
(b) Finance Costs		
Interest expense	219,933	99,883
TOTAL FINANCIAL EXPENSES	219,933	99,883
(c) Other Expenses		
Advertising & Marketing	1,514,451	1,233,786
Marketing Professional Fees	164,311	164,522
Publication Expenses	205,099	187,550
Swab & Veterinary Supplies	558,584	574,136
Equine Welfare expenditure	464,927	474,190
Information & Technology	141,650	143,546
Insurance	398,925	383,245
Other	2,027,280	1,515,171
TOTAL OTHER EXPENSES	5,475,226	4,676,148



(continued)

6. Cash and cash equivalents	2023	2022
	\$	\$
Current		
Cash at bank and on hand	4,163,203	11,000,723
Short-term bank deposits	6,057,701	10,464,330
	<u>10,220,904</u>	<u>21,465,053</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 2023 is \$795,652 (2022: \$770,024). These funds are not included in the amounts at Note 6 above.

7. Trade and other receivables

Current		
Trade receivables	8,054,857	5,146,585
Other receivables	1,479,944	1,116,778
Loans to Thoroughbred Racing Clubs - secured	559,123	270,445
	<u>10,093,925</u>	<u>6,533,808</u>

8. Other Assets

Current		
Prepayments	346,450	411,266
	<u>346,450</u>	<u>411,266</u>

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

	2023	2022
	\$	\$
9. Plant and Equipment		
Non-current		
Plant and equipment - at cost	3,121,144	3,069,968
Less: accumulated depreciation	(2,810,010)	(2,699,309)
Motor Vehicles - at cost	912,116	941,332
Less: accumulated depreciation	(532,905)	(529,567)
WIP Asset - Murray Bridge Stables	8,249,203	-
Less: accumulated depreciation	-	-
TOTAL	8,939,547	782,424

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	370,660	494,956
Additions at cost	159,814	94,903
Disposals at cost	(17,500)	-
Profit/(Loss) on Disposal	(47,549)	-
Depreciation expense	(154,291)	(219,198)
CARRYING AMOUNT AT END OF YEAR	311,134	370,660

Motor Vehicles

Carrying amount at the beginning of the year	411,763	433,494
Additions at cost	87,939	355,403
Disposals at cost	(59,364)	(4,546)
Profit on Disposal	23,859	256
Depreciation expense	(84,987)	(372,843)
CARRYING AMOUNT AT END OF YEAR	379,211	411,763

WIP Asses - Murray Bridge Stables

Carrying amount at the beginning of the year	-	-
Additions at cost	8,249,203	-
CARRYING AMOUNT AT END OF YEAR	8,249,203	-



(continued)

10. Financial assets - Investments	2023	2022
	\$	\$
Non-current		
- Loan Burke Urban Gifford Hill	9,349,761	9,850,663
- Loan Gifford Hill Joint Venture	4,003,770	3,762,600
Financial assets		
- Investment in Racing Australia Limited	1,818,515	1,761,606
- Listed equity securities available for sale	1,080,283	1,003,429
	16,252,328	16,378,297

The loan to Burke Urban Gifford Hill forms part of the \$10,000,000 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. This loan is scheduled to be paid back in January 2024 as part of a land sale settlement by the Joint Venture.

The loan to Gifford Hill Joint Venture is part of an additional \$5,000,000 loan facility provided to the Burke Urban Gifford Hill Joint Venture repayable within 2 years of first drawdown. This loan is scheduled to be paid back in January 2024 as part of a land sale settlement by the Joint Venture.

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 2023.

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	(541,777)	(406,333)
Leased photocopier	-	137,097
Accumulated depreciation	-	(137,085)
Leased printer	348,726	348,726
Accumulated depreciation	(116,241)	(46,497)
	988,723	1,193,923

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

Depreciation related to right-of-use assets	205,188	216,207
Interest expense on lease liabilities	46,554	47,811

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

	2023	2022
	\$	\$
12. Trade and other payables		
Current		
Trade payables	1,924,797	2,043,674
Other payables and accruals	455,500	1,739,162
TOTAL	2,380,297	3,782,837

13. Provisions

Current		
Employee benefits - annual leave	440,715	402,532
Employee benefits - long service leave	379,578	460,824
	820,293	863,356
Non-current		
Employee benefits - long service leave	127,366	51,536
	127,366	51,536
TOTAL PROVISIONS	947,659	914,892
Opening balance at 1 July	914,892	765,616
Net provision movement during the year	527,913	468,214
Amounts used	(495,145)	(318,937)
BALANCE AT 30 JUNE	947,659	914,892

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 2023/24 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	2023	2022
	\$	\$
Current		
Income received in advance - general	482,516	5,286,954
Income in advance - TABCorp Ltd	130,575	130,575
	613,091	5,417,529
Non-current		
Income received in advance - general	328,117	407,467
Income in advance - TABCorp Ltd	390,222	520,422
	718,339	927,889
TOTAL OTHER LIABILITIES	1,331,430	6,345,418

15. Financial Liabilities

Non-current

Loan from SA Government	3,564,467	4,187,572
-------------------------	-----------	-----------

16. Lease Liabilities

Current

Lease liabilities	199,226	187,163
	199,226	187,163

Non-current

Lease liabilities	905,286	1,104,511
	905,286	1,104,511

TOTAL LEASE LIABILITY

1,104,512	1,291,674
-----------	-----------

a) Finance Leases

Minimum lease payments:

- Not later than one year	237,954	233,251
- Between one year and five years	982,101	1,086,716
- Later than five years	-	133,339
Minimum lease payments	1,220,055	1,453,306
- Less: finance changes	(115,544)	(161,631)
- Present value of minimum lease payments	1,104,512	1,291,674

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

	2023	2022
16. Lease Liabilities (continued)	\$	\$

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 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	7,137,372	1,079,840
Less items classified as investing/financing:		
- (Profit) on sale of investments	23,690	(1,801)
Add/(less) non-cash items:		
- Depreciation expense	444,467	509,718
Equine Ambulances Fully Depreciated	-	298,530
- Loan impairment	-	(6,057)
Net cash from operating activities before change in assets and liabilities	7,605,529	1,880,229
Change in assets and liabilities during the period:		
(Decrease) / Increase in provisions	32,768	149,276
Decrease / (Increase) in trade receivables	(2,908,272)	(1,623,179)
(Increase) / Decrease in other receivables	(363,167)	(979,381)
Decrease in loans to Thoroughbred Racing Clubs	(288,678)	179,086
(Increase) in other assets	64,816	(273,229)
Increase in trade payables	(118,878)	355,670
(Decrease) / Increase in other payables and accruals	(1,283,663)	(4,845,877)
(Decrease) in Financial Liabilities	(623,106)	(812,429)
Increase in income received in advance	(5,013,989)	4,958,112
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(2,896,641)	(1,011,722)



(continued)

19. Related party transactions	2023	2022
	\$	\$

Key management personnel compensation

The key management personnel compensation included in employee expenses are as follows:

Short-term employee benefits	909,183	952,327
Post-employment benefits	72,121	73,484
	981,304	1,025,811

Auditor Remuneration

Remuneration of the auditor of the Company for:

- Audit of the financial report	21,600	20,000
---------------------------------	--------	--------

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 (resigned October 2022), T Stokes, M Lloyd, S Watts and P Lion.

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	212,162	200,047
Post-employment benefits	23,338	21,434
	235,500	221,481

Notes to the Financial Statements

For the
year ended
30 June 2023

(continued)

19. Related party transactions (continued)

2023

2022

\$

\$

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	2023	2022
Mr C Cardone	TV Production Services	(i)	130,900	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 \$2,530,985 (2022: \$2,395,617) 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 \$66,712 (2022: \$63,300) 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 \$4,879,797 (2022: \$5,151,882) 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 \$559,123 at 30 June 2023 (2022: \$259,338). The loans are secured or capable of being secured. Interest earned by the Company amounted to \$15,608 (2022: \$2,908) 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 2023 it is estimated that these future bonuses will be \$5.6M (2022: \$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 2023 was \$424,410 (2022: \$368,630).

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 2023 the number of members was 2.

Directors' Declaration

RACING SA LIMITED

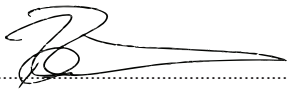
DIRECTORS' DECLARATION

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 8 to 25, 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 2023 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 29th day of September, 2023

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 2023, 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, and 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 2023 and of its financial performance for the year then ended; 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 (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 included in the Company's annual report for the year ended 30 June 2023, 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 accordingly 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

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
Liability limited by a scheme approved under Professional Standards Legislation.



Independent Auditor's Report

WilliamBuck

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.



William Buck (SA)
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 29th day of September, 2023.









2023



Racing SA

Annual Report

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

racingsa.com.au



RACING
SA