



2019 ANNUAL REPORT

Country Racing SA Inc.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Country Racing SA Inc. will be held in the TRSA Board Room, Ground Floor 240 Morphett Road North Plympton commencing at 9.00am on Friday 20th December 2019.

ORDINARY BUSINESS

1. Confirm the Minutes of the 2018 Annual General Meeting.
2. Receive the Reports of the Board.
3. Determine the level of Affiliation Fees for Members Clubs.
4. Determine the level of remuneration, expenses and allowances for Members of the CRSA Board.
5. Appointment of Auditor.
6. General Business - other Items to be included at the discretion of the Chairman unless Notice of Special Business has been received in accordance with the Constitution.

CHAIRMAN'S REPORT

The 2018/19 racing season has seen many challenges arise for our racing industry. Extensive negotiations between the industry, shareholders and the Government have resulted in the provision of a stimulus package from the Liberal Government offered over a period of four years. This has subsequently led to a number of reviews of governance processes and the TRSA Constitution, and this will continue to be the case for some time.

CRSA continues to fight for Member Clubs in the implementation of Capex Funding, and these issues are again still being worked through. It is our intention to ensure that our Clubs receive sufficient funding to carry out relevant projects in order to maintain our existing facilities and improve the quality of infrastructure on offer to host our race meetings.

The industry continues to be affected by the Place of Consumption Tax and this is being worked through with the Liberal Government, TRSA and the Shareholders as it is unsustainable and unacceptable that South Australia remains the only state to receive zero benefit from returns to the Government from this tax. It is hoped that significant changes will be made in this area in line with the release of the 2021FY Budget.

The TAB turnover has been very disappointing and the CRSA Board has met recently with the TAB to discuss what can be achieved to improve the turnover including:

- Legislative changes to allow South Australia to introduce products that are readily available interstate.
- Improve field sizes of South Australian racing to the optimum level of 12
- Finalise the software issues that plagued the TAB App and internet products
- Partner with Country Racing to improve turnover and revenue for clubs

Some highlights for the year include;

- The opening of the new Murray Bridge track at Gifford Hill.
- The return of racing to the upgraded Mount Gambier track.
- Continued positive relationship with the SAJC whereby regular meetings are held to consider strategic objectives from an industry perspective.
- In conjunction with the SAJC reviewing the TRSA Constitution to meet modern-day governance requirements including the establishment of key performance indicators.
- Attending the TRSA Strategic Planning session in a relatively collaborative capacity to implement the strategic direction of the industry going forward.
- Attending regional and country club Annual General Meetings.
- Forwarding a summary of CRSA meeting minutes to our constituents.
- Review of the CRSA Code of Conduct plus the CRSA Constitution to ensure it complies with modern day governance protocols.
- Continuing to make regular visits to Country clubs and make recommendations regarding, use of the TAB Express Van, improved visual and audio facilities to facilitate their customers, assistance with licencing matters and recommendations to improve profitability to the clubs.

I would like to take the opportunity to thank Chris Biggs for his ongoing support and to the CRSA Board who have supported me as chairman of CRSA.

Wayne Henson
Chairman

Board Delegates

Chairman:

Wayne Henson

Wayne Henson was re-appointed as Chairman at the December Board meeting.

Board:

Group Central & Deputy Chairman

Jeff Tansell

Jeff Tansell was appointed as Deputy Chairman at the December Board Meeting.

Group Eastern

John O'Connor

John O'Connor attended the August, September & October 2018 Board meetings as the proxy Delegate before his appointment as the Delegate for the Group Eastern Clubs in November 2018.

Group Western

Greg Fitzgerald

Balaklava Racing Club

Wayne Henson

Gawler & Barossa Jockey Club

Ian Millen

Ian Millen was appointed to act as the Deputy Chairman at the December Board meeting on any occasion whenever Jeff Tansell was not available.

Murray Bridge Racing Club & Deputy Chairman

Reg Nolan

Reg Nolan stepped down as the Deputy Chairman in November 2018

Oakbank Racing Club

John Glatz

Strathalbyn Racing Club

Bill Peake

Delegate Meetings Attended

Delegate	Eligible Meetings (inc AGM)	Number Attended
Wayne Henson	12	12
Greg Fitzgerald	12	9
John Glatz	12	10
Ian Millen	12	12
Reg Nolan	12	12
John O'Connor	12	7
Bill Peake	12	11
Jeff Tansell	12	11

Note: No Board Meeting was held in November 2018. The 2018 AGM was held in November 2018.

Auditor

William Buck

Solicitor

Piper Alderman

Bank

Commonwealth Bank

Office

240 Morphett Road
PLYMPTON NORTH

Postal Address

GPO Box 2646, ADELAIDE SA 5001

Chief Executive Officer

Chris Biggs

Mobile Telephone

0417 833 231

Email

cbiggs@countryracingsa.com.au

FINANCIAL REPORT

The attached Financial Statement has been audited in accordance with the Constitution of Country Racing SA Inc. In particular, the following aspects of the report should be noted:

Revenue

- In 2018 CRSA negotiated an increase in the operational subsidy provided by TRSA including an annual CPI adjustment. The 2018FY includes the backdated component to 2012.

Expenditure

- Board expenses includes payments made when Board members visited clubs and attended hospitality packages made available to them. In previous years these amounts were included in Function Expenses and/or Regional Support.
- As part of the negotiated increase in operational funding an increase in management fees occurred during the 2018FY due to the increased workload of the Chief Executive Officer.
- Travel and accommodation includes increased visitation by delegates and the Chief Executive Officer to race meetings and other regional visits plus attendance by country delegates to CRSA meetings.
- As part of the negotiated increase in operational subsidy TRSA agreed for CRSA delegates to receive complementary air travel to country race meetings as from February 2018 provided there was available seats on the industry aircraft.

**COUNTRY RACING SA INCORPORATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019**

COUNTRY RACING SA INCORPORATED
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
INCOME			
Affiliation Fees		3,600	3,600
Bank Interest		6	2
Thoroughbred Racing SA Ltd Industry Funding		61,032	66,810
Total Income		64,638	70,412
EXPENDITURE			
Accounting and Audit Fees		1,255	1,150
Bank Fees and Charges		37	110
Committee Expenses		2,066	168
Function Expenses		181	1,364
Industry Awards		-	182
Printing, Stationery and Photocopying		270	660
Management and Secretarial Fees		36,000	29,000
Office Supplies		1,674	520
Regional Support		762	2,879
Sponsorship Expenses		250	-
Subscriptions and Licences		610	510
Travel and Accommodation		24,727	25,814
Total Expenditure		68,401	62,901
Operating Profit (Deficit)		(3,763)	7,511
Accumulated Surplus at the Beginning of the Financial Year		50,135	42,624
Accumulated Surplus at the End of the Financial Year		46,372	50,135

COUNTRY RACING SA INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash at Bank		51,169	50,047
Trade and Other Receivables	2	1,775	2,640
Total Current Assets		<u>52,944</u>	<u>52,687</u>
Total Assets		<u>52,944</u>	<u>52,687</u>
Current Liabilities			
Trade and Other Payables	3	6,572	2,552
Total Current Liabilities		<u>6,572</u>	<u>2,552</u>
Total Liabilities		<u>6,572</u>	<u>2,552</u>
Net Assets		<u>46,372</u>	<u>50,135</u>
Represented by:			
Members' Funds			
Accumulated Surplus		46,372	50,135
Total Members' Funds		<u>46,372</u>	<u>50,135</u>

COUNTRY RACING SA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

These financial statements are special purpose financial statements prepared in order to satisfy the needs of the members. The Committee has determined that the association is not a reporting entity because there are no users dependent on general purpose financial statements.

The financial statements have been prepared on an accruals basis and are based on historic costs unless otherwise stated in the notes and do not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the committee members have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

(a) Income Tax

The Association is not subject to income tax under existing taxation law.

(b) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Debtors and Creditors

Debtors are recorded at amounts due less any allowance for doubtful debts. Creditors and other amounts payable are recognised when the club becomes obliged to make future payments resulting from the purchase of goods and services.

(d) 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 Tax 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 assets and liabilities statement.

(e) Related Party Disclosures

Members of the committee receive reimbursement of accommodation and travel costs on normal commercial terms and conditions to enable attendance at committee and other meetings.

COUNTRY RACING SA INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 2 – TRADE AND OTHER RECEIVABLES		
Trade receivables	1,775	2,640
	<u>1,775</u>	<u>2,640</u>
NOTE 3 – TRADE AND OTHER PAYABLES		
Trade creditors	6,140	-
GST payable	432	2,552
	<u>6,572</u>	<u>2,552</u>

NOTE 4 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Association does not have any contingent assets or contingent liabilities.

NOTE 5 - EVENTS AFTER THE REPORTING PERIOD

The Committee is not aware of any significant events since the end of the reporting period.

NOTE 6 – ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

- Country Racing SA Incorporated
Morphettville Racecourse
MORPHETTVILLE SA 5043

COUNTRY RACING SA INCORPORATED
DECLARATION BY MEMBERS OF THE COMMITTEE

The Committee have determined that the Association is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the members of the Committee:

- 1) the financial report as set out on pages 1 to 4 presents fairly the financial position of the Country Racing SA Incorporated as at 30 June 2019 and its performance for the year ended on that date; and
- 2) at the date of this declaration there are reasonable grounds to believe that the Country Racing SA Incorporated will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Committee for and on behalf of the Committee by:-



Name: WAYNE JENSEN

Title: CHAIRMAN



Name: JEFF TANSELL

Title: DEPUTY CHAIRMAN

Dated this 22nd day of OCTOBER, 2019.

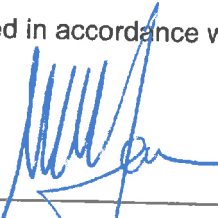
COUNTRY RACING SA INCORPORATED

COMMITTEE REPORT

Your Committee submits the attached financial report of the Country Racing SA Incorporated for the year ended 30 June 2019.

- 1) No Committee member or officer of the Association has received or become entitled to receive during the financial year a benefit as a result of a contract made by the Association with a Committee member or officer of the Association, a firm of which a Committee member is a member or an entity in which a board member has a substantial financial interest.
- 2) No Committee member has received pecuniary benefits from the Association during the financial period other than as disclosed in the financial report.

Signed in accordance with a resolution of the Committee:



Name: WAYNE HENSON

Title: CHAIRMAN



Name: JEFF TANSSELL

Title: DEPUTY CHAIRMAN

Dated this 2ND day of OCTOBER, 2019.

Country Racing SA Incorporated

Independent auditor's report to members

Report on the Audit of the Financial Statements

Audit Opinion

We have audited the financial report of Country Racing SA Inc. (the Association), which comprises the statement of financial position as at 30 June 2019, the statement of income and expenditure, notes to the financial statements, including a summary of significant accounting policies and the declaration by members of the committee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2019, and its financial performance for the year then ended in accordance with the accounting policies in Note 1 and the Association Incorporations Act (SA) 1985.

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Country Racing SA Inc. to meet the requirements of the Associations Incorporation Act (SA) 1985. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act (SA) 1985 and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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:

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

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

A handwritten signature in black ink that reads "William Buck".

William Buck
ABN 38 280 203 274

A handwritten signature in black ink that reads "G. W. Martinella".

G.W. Martinella
Partner

Dated this 22nd day of October, 2019.