



2021 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 Racing SA Board Room, Ground Floor 240 Morphett Road North Plympton commencing at 11.30am on Friday 17th December 2021.

ORDINARY BUSINESS

1. Confirm the Minutes of the 2020 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. Review of CRSA Constitution following the Planning Day held in December 2020.
 - 6.1. Amendments to modernise the CRSA Constitution to meet current governance and legislative guidelines as recommended by the CRSA Board in accordance with the changes as per the attached document.
 - 6.2. Amend Clause 22.4 of the current CRSA Constitution as recommended by the CRSA Board to read:

“On a matter arising for determination by a General Meeting, each member club is entitled to one vote.”

The Board recommendation provides a more inclusive situation and removes the weighting provided to the larger member clubs at “General Meetings”.
7. 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

Like all other years, the last twelve months have been challenging, however, the Country Racing SA Board (CRSA) has tackled these challenges and on most occasions a satisfactory outcome has been achieved.

Racing SA Constitution

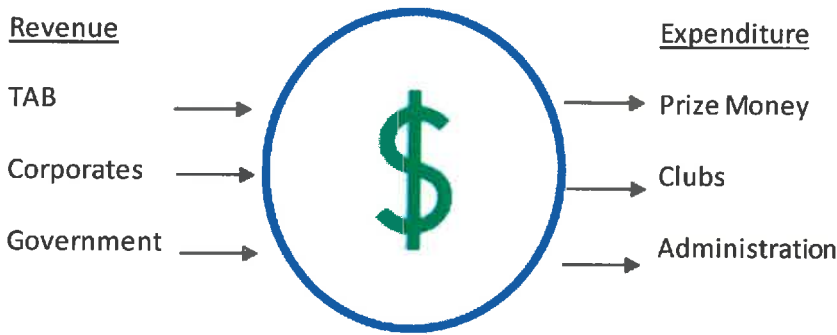
Whilst the constitutional issues have currently subsided, the Government still has control of the Director Selection Panel and therefore, the Board of Racing SA.

Since the Government intervention, only one board member remains since 2019, Grant Harrison.

A change in Government may see the requirement for future change. However, we are yet to see the Labor party's proposed plan for racing.

Industry Revenue

The life blood of the racing industry is punting turnover. The two sources of industry revenue from betting are the TAB and The Corporates Bookmakers (including interstate TAB's).



Whilst this is an over simplification of the industry functions, it provides an overview.

- The industry has control over its expenditure however, it has very little control over its income.
- The TAB is a public company as are the Corporate Bookmakers and the way they operate their businesses, directly impacts the revenue of the industry.
- The Government makes contributions to the industry from the newly introduced PoC Tax, however, what the industry in SA receives is substantially less than other states. The Racing Industry in SA receives a distribution from the State Government of approximately 10% of the tax collected by the government, whereas in other states, racing receives as much as 25%, a staggering variance.

The major way in which the industry can impact the turnover and therefore revenue, is maintaining a desired level of horse numbers in SA, however, this doesn't happen overnight. There has been an improvement in our average field sizes but increments are small and it can take years for the horse numbers to increase.

Matters that have been a focus during the year:

- **On-Course Turnover:** This is a major issue for clubs. On-Course Turnover is diminishing and TAB costs are increasing, therefore, impacting on club's revenue. We need to find a solution to the conundrum in 2022. It may require some lateral thinking regarding the manner in which we conduct the On-Course experience for our revenue and customers.
- **The Country Racing SA Website** continues to improve. I would expect that the appointment of a graphic designer and digital coordinator will substantially improve the website in 2022.
- Proposed changes to the **CRSA Constitution** and the development of a **Strategic Plan**
- The ongoing challenges of **COVID-19** and the impact for clubs.
- The loss of **Local Tote Wagering at non-TAB Race Meetings** and the impact on revenue for those clubs

For the last seven years I have been the chairman of Country Racing SA and I have served on the committee since 1996, which was interrupted for a 2-year sabbatical. I have been honoured to play a part in an amazing industry over such an extended period. Whilst there have been turbulent times and very robust debate, I trust that I have gained the respect of my peers as I have them. I wish all the clubs, the committees the board and the industry all the best for the future.

Finally, I would like to take the opportunity to thank the CRSA Board Members, the clubs and in particular the very hardworking volunteers who play such an important role in the racing industry. Again, I would like to thank Chris Biggs for his assistance and dedication over the past 21 years. In addition, I would like to thank Tony Newman, Bodelle Frances and Bob Holton for their collaboration and support in developing and strengthening the relationship between the shareholders.

As a parting thought, it is imperative that Country Racing SA as an organisation remains strong, we need to think of the welfare of the clubs and the industry. As a 50% shareholder in the industry we are the custodians of the future and as one with the SAJC you will have an influence.

Wayne Henson
Chairman

Board Delegates

Chairman:

Wayne Henson

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

Board:

Group Central & Deputy Chairman

Jeff Tansell

Jeff Tansell was re-appointed as Deputy Chairman at the January Board Meeting.

Group Eastern

Justin Kain

Group Western

Greg Fitzgerald

Balaklava Racing Club

Wayne Henson

Gawler & Barossa Jockey Club

Ian Millen

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

Murray Bridge & Mindarie-Halidon Racing Clubs

Reg Nolan

Oakbank Racing Club

John Glatz

John Glatz attended Board Meetings as the Oakbank Racing Club Delegate until January 2021 and Arabella Branson was appointed as the Club Delegate from the February 2020 meeting

Arabella Branson

Strathalbyn Racing Club

Bill Peake

Bill Peake attended Board Meetings as the Strathalbyn Racing Club Delegate until December 2020 when Wade Kluske was appointed as the Club Delegate for the December & January 2020 meetings. Stephen Smedley was appointed the Club Delegate from the February 2021 meeting.

Wade Kluske

Stephen Smedley

Delegate Meetings Attended (includes via electronic medium)

Delegate	Eligible Meetings (inc AGM)	Number Attended
Wayne Henson	13	13
Arabella Branson	7	5
Greg Fitzgerald	13	10
John Glatz	8	5
Justin Kain	13	10
Wade Kluske	3	3
Ian Millen	13	13
Reg Nolan	13	11
Bill Peake	7	5
Stephen Smedley	5	5
Jeff Tansell	13	12

Note: The 2020 AGM was held in December 2020.

Auditor
Solicitor
Bank
Office

William Buck
Piper Alderman
Commonwealth Bank
240 Morphett Road
PLYMPTON NORTH SA 5037
GPO Box 2646, ADELAIDE SA 5001
Chris Biggs
0417 833 231
cbiggs@countryracingsa.com.au

Postal Address
Chief Executive Officer
Mobile Telephone
Email

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 CPI for 2020 was negative and as such no increase for the 2021FY occurred.

Expenditure

- Committee Expenses included the expenditure relating to the review of the constitution and governance conducted since the AGM held in December 2020.
- As part of the negotiated increase in operational funding an increase in management fees occurred during the 2021FY due to the increased workload of the Chief Executive Officer.
- Office supplies included the purchase of a replacement lap-top computer.
- Website expenses included the development of the new CRSA website with associated club web pages.
- CRSA had budgeted for a loss of \$12,140 during the 2021FY and the final result was \$2,160 better than expected.
- The COVID-19 restrictions have impacted on the conduct of meetings and travel which has resulted in many being conducted via the electronic medium.

**COUNTRY RACING SA INCORPORATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2021**

COUNTRY RACING SA INCORPORATED
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
INCOME			
Affiliation Fees		3,600	3,600
Bank Interest		4	5
Thoroughbred Racing SA Ltd Industry Funding		61,848	61,848
Total Income		<u>65,452</u>	<u>65,453</u>
EXPENDITURE			
Accounting and Audit Fees		1,300	1,277
Bank Fees and Charges		98	46
Committee Expenses		5,883	3,864
Insurance		753	942
Printing, Stationery and Photocopying		386	385
Management and Secretarial Fees		40,800	36,000
Office Supplies		3,544	103
Regional Support		-	409
Sponsorship Expenses		-	250
Subscriptions and Licences		799	386
Travel and Accommodation		17,624	18,294
Website Expenses		4,145	1,300
Total Expenditure		<u>75,332</u>	<u>63,256</u>
Operating Profit (Deficit)		(9,980)	2,197
Accumulated Surplus at the Beginning of the Financial Year		<u>48,569</u>	<u>46,372</u>
Accumulated Surplus at the End of the Financial Year		<u>38,589</u>	<u>48,569</u>

COUNTRY RACING SA INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash at Bank		39,826	48,186
Trade and Other Receivables	2	1,485	1,155
Total Current Assets		<u>41,132</u>	<u>49,341</u>
Total Assets		<u>41,132</u>	<u>49,341</u>
Current Liabilities			
Trade and Other Payables	3	3,543	772
Total Current Liabilities		<u>3,543</u>	<u>772</u>
Total Liabilities		<u>3,543</u>	<u>772</u>
Net Assets		<u>38,589</u>	<u>48,569</u>
Represented by:			
Members' Funds			
Accumulated Surplus		38,589	48,569
Total Members' Funds		<u>38,589</u>	<u>48,569</u>

COUNTRY RACING SA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021**

	2021 \$	2020 \$
NOTE 2 – TRADE AND OTHER RECEIVABLES		
Trade receivables	1,485	1,155
	<u>1,485</u>	<u>1,155</u>

NOTE 3 – TRADE AND OTHER PAYABLES

Trade creditors	2,833	-
GST payable	710	772
	<u>3,543</u>	<u>772</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

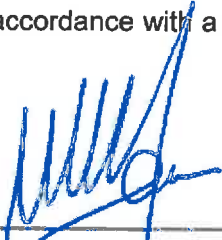
The Committee have determined that the Association is not a reporting entity.

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 2021 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 HENSON

Title: CHAIRMAN



Name: IAN MILKEN

Title: DELEGATE

Dated this 11th day of NOVEMBER, 2021.

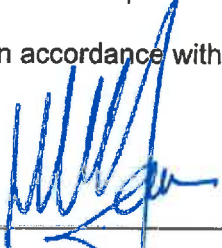
COUNTRY RACING SA INCORPORATED

COMMITTEE REPORT

Your Committee submits the attached financial report of the Country Racing SA Incorporated for the year ended 30 June 2021.

- 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: IAN MILREN

Title: DELEGATE

Dated this 11th day of NOVEMBER, 2021.

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 2021, 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 2021, 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.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
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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.



William Buck (SA)
ABN 38 280 203 274



G.W. Martinella
Partner

Dated this 11th day of November, 2021.