



Annual Report  
2009/2010



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Globe Derby Park SA 5110  
PO Box 225, Salisbury SA 5108  
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Email: [saharness@saharness.org.au](mailto:saharness@saharness.org.au) Web: [www.harness.org.au/sa](http://www.harness.org.au/sa)

In order to comply with the provisions of the Corporations Act 2001, The Directors of HRSA Ltd submit herewith, the annual financial report for the financial year ended 30 June 2010



## Chairman's Report



This year saw Harness Racing South Australia continue on our previous year's successful rebuilding strategies. An extra \$2 million dollars of additional incentives, on the previous year, was pumped back into the industry seeing record prize money distribution for our South Australian participants, more than \$1 million (24% increase) on the previous year. Club operation fees were increased by 136%. Additional money was also allocated to marketing and racing club venue improvements funding up 56% on the previous year. Industry feedback has been generally up-beat with many participants reporting the State is in its best shape for many years as the new strategies and improved prize money starts to impact.

Projects completed at racetracks around State in past 12 months with funding from HRSA include:

- On Course stable improvements at Mount Gambier
- On Course stable improvements at Port Pirie
- Track maintenance at Port Pirie
- Track maintenance at Victor Harbor
- Track shadow wall fencing at Kapunda
- Resurfacing of racetrack at Strathalbyn
- Race track maintenance program at Globe Derby Park
- Venue maintenance work at Globe Derby Park

Other strategic initiatives for the year included the introduction a new breeder incentive scheme designed to improve our horse population. A significant increase in 2 year old stake-money was well received by breeders. HRSA also funded the resurfacing of the stable area of Globe Derby Park and has allocated funding for the club to enable the appointment a General Manager for 2 years to improve day to day business and overall leadership at the club.

Racing highlights for the year included the 2010 SA Pacing Cup winner Mister Zion trained and driven by Geoff Webster and raced by Sanzaro Racing. The four-year-old came of age with his first Group 1 success winning the Sky Racing SA Pacing Cup at Globe Derby Park, a Barastoc Grand Circuit event.

Leading driver David Harding completed back to back double century driving performances during the year. He scored his first in 2009 and repeated that achievement in 2010. Harding was placed fourth on the National driver's premiership behind Darryl Douglas (Vic) Grant Dixon (Qld) and Chris Alford (Vic).

Thanks go to Board members completing their terms this year; they were Cathy Cooper, Alex Peden and Allan Tapp. We also thank David Aldred for his 18 months as General Manager and the entire HRSA team.

I would like to personally acknowledge two stand-out clubs, Mount Gambier and Port Pirie, who through a consistently positive and proactive approach have had a great year for varying reasons. I would also like to acknowledge all Club members and their Committees for their often thankless work. I encourage more participants to get involved with their local club and our great sport. I would also like to acknowledge the breeders, trainers, drivers, families and the many people who are employed in our industry.

After more than seven years on the Board this will be my last annual report. The industry has come along way in those years with some difficult times around equine flu. Thanks to your support I leave the industry in a much stronger, healthier position that has an optimistic future ahead. I thank the Board and industry for allowing me to be Chairman for the majority of my term. Harness racing is a great sport with dedicated and passionate participants; it has been a pleasure for me to be a part of it as a Board Member and Chairman.

**GRANT GOODALL**



## General Manager's Report



Harness Racing South Australia continues to move forward in industry management and reforms. It is also advancing integrity management and steward/race controls, racing services management and corporate relationships, each presenting opportunities and direction to the industry.

Harness Racing South Australia's positive recent results should be recognised, particularly during the past financial year and for the advancements by the Board and the management team to introduce operational reforms in our industry.

I would like to thank the Harness Racing South Australia Board of Directors and the Member Club Management and Committees for their support during the year and pay tribute to my management team, stewards and office staff for their work and assistance in getting the job done well.

I'd also like to sincerely thank the many industry volunteers, particularly at our Country Clubs who contribute to the success of racing and the clubs around the state.

I remind all in the industry that when everyone is working together for the betterment of racing there is nothing that cannot be achieved.

DAVID ALDRED



## The Vision

The overall vision of **Harness Racing SA Limited** is to work constructively with Harness Racing stake holders to ensure the sport is conducted with integrity, provide exciting racing and maximized wagering while achieving an increasing share of the entertainment market resulting in greater industry profitability.



## Board of Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are as follows:

### Directors' Meetings

July 2009 to June 2010		Board Meetings Attended	Maximum Possible to be Attended
Grant Goodall	Chairman	14	14
Michael Giorgio	Director	9	14
Allen Tapp	Director	6	7
Catherine Cooper	Director	7	7
Alex Peden	Director	2	3
Des Stanbury	Director	14	14
Adrian Edgar	Director	10	10
Michael Deare	Director	1	1
Graham Taylor	Director	1	1



## Former Directors

Catherine Cooper  
 Alex Peden  
 Allen Tapp

Director  
 Director nominated by the SACHRCA  
 Director



## Current Directors

Grant Goodall  
 Adrian Edgar  
 Michael Deare

Michael Giorgio  
 Des Stanbury  
 Graham Taylor



## Grant Goodall



### Chairman & Director

Mr Goodall has 24 years of CEO and directorship experience in both public and private business sectors. Most recently he was CEO of Townsend House inc. which incorporates Townsend House retirement village and CanDo Group Charities. Mr Goodall has also been the former Executive Director of the Western Australian Tourism Commission and CEO of Tourism Council Australia. He is current HRSA representative on Racing SA Board and SA representative on the board for Harness Racing Australia.

Mr Goodall has 2 degrees in business management and education with extensive background and experience in global marketing, business management and media communications.

Commenced 1 December 2003

Term – two years to September 2005

Reappointed for a further three years to September 2008

Reappointed for a further three years

Expires 30 September 2011



## Adrian Edgar



### Director

Mr Edgar has 24 years experience as a chief executive officer in the credit union industry, SA TAB and golf club management.

He is the Industry Director nominated by SA Country Harness Racing Clubs Association.

Commenced 1 October 2009

Term – two years

Expires 30 October 2011



## Michael Giorgio



### Director

Mr Giorgio is a Barrister and Solicitor who received an Honours Degree in Law. He has represented jockeys, drivers, trainers and owners from different codes in both common law-courts and the Racing Appeals Tribunal. Mr Giorgio practices in the Criminal, Family, Industrial, Magistrates, District, Supreme and Federal Jurisdictions. He has extensive knowledge of harness racing through his involvement as an owner and a license holder.

Commenced 1 December 2003

Term – two years to September 2005

Reappointed for a further three years to September 2008

Reappointed for a further three years

Expires 30 September 2011



## Michael Deare



### Director

With over 30 years experience in management positions, Mr Deare has worked across some of South Australia's leading private sector business organisations, covering industrial relations, commerce and general management. He was Chief Executive of the South Australian Farmer's Federation for 8 years, and Chief Executive of the South Australian Cricket Association for over 12 years, which encompassed the management and development of Adelaide Oval.

A graduate of the University of NSW, and a Churchill Fellow in Industrial Law, Mr Deare was appointed by the Attorney General as a Justice of the Peace for South Australia. He has extensive experience in the management of sport, recreation, event management, and sporting venues.

Commenced 30 June 2010

Term – two years

Expires 30 June 2012



## Des Stanbury



### Director

Mr Stanbury has previously been on the South Australian Harness Racing Club Committee for a number of years involving himself in Sponsorship and Race Meetings Presentations and working with the City of Salisbury Council on certain Club matters with very good results. He was Vice President of the club for 5 years.

Mr Stanbury has raced Harness Racing Horses with some success and worked with top trainers in addition to being a Breeder. He is passionate about his role as Industry Director nominated by the South Australian Harness Racing Club.

During his working life, Mr Stanbury worked as an AMP Financial Representative for 37 years. He was also actively engaged in Football umpiring for over 26 years including 9 years on the Football Umpires Board.

Commenced 1 October 2007

Term – three years

Expires 30 September 2010



## Graham Taylor



### Director

Mr Taylor is a qualified accountant and company director. He brings an essential finance and accounting skill set to the Board with 30 years of senior management experience with OneSteel, BHP Billiton, BlueScope Steel and Capgemini Business Services. He is currently also Deputy Chairman on the Board of Alliance One Credit Union.

Mr Taylor is a Fellow Certified Practising Accountant and a member of the Australian Institute of Company Directors.

Mr Taylor has extensive experience in both harness racing and thoroughbred racing as an owner and breeder.

Commenced 30 June 2010

Term – two years

Expires 30 June 2012





## HRSA Personnel 2009/2010

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General Manager  
Corporate Services Manager  
Chairman of Stewards  
Senior Steward/Starter  
Receptionist/Customer Services  
Racing Data Co-ordinator  
Finance Administration Officer  
Registrations Co-ordinator

David Aldred  
Peter Hailes  
Stephen Mulcay  
Rodney Foureur  
Valerie Haydon  
Leanne Ewen (to 13 April 2010)  
Kathryn Nicolai  
Elly Hunnisett  
(re-commenced 16 April to 17 June 2010)



## Supporting Organisations

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Auditors  
Bankers  
  
Insurers

Accru Harris Orchard Chartered  
Westpac Banking Corporation  
Commonwealth Bank of Australia  
Terrace Insurance Brokers Pty Ltd  
Jardine Lloyd Thompson



## Clubs and affiliates

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### FRANKLIN HARBOR HARNESS RACING CLUB

Ms Belinda Harris, Secretary  
PO Box 9  
CLEVE SA 5640  
President: Mr Greg Baker

### GAWLER HARNESS RACING CLUB

Mr Peter Ashby, Secretary/Treasurer  
PO Box 358  
GAWLER SA 5118  
President: Mr Peter Bain

### KAPUNDA HARNESS RACING CLUB

Mr Rodney Whenan, Secretary  
PO Box 70  
KAPUNDA SA 5373  
President: Mr Wayne Standish

### MOUNT GAMBIER HARNESS RACING CLUB

Ms Teresa Battiston, Secretary  
PO Box 623  
MOUNT GAMBIER SA 5290  
President: Mr Phil Wood

### PORT AUGUSTA HARNESS RACING CLUB

Mr Ron Holtham, Acting Secretary/President  
PO Box 250  
PORT AUGUSTA SA 5700  
President: Mr R Holtham

### PORT PIRIE HARNESS RACING CLUB

Mr Neville Thomson, Secretary/Manager  
PO Box 274  
PORT PIRIE SA 5540  
President: Mr Mick Darling

### SOUTH AUSTRALIAN HARNESS RACING CLUB

Mr Ashley Kramer, Secretary  
PO Box 271  
SALISBURY SA 5108  
President: Dr Richard Noble

### STRATHALBYN HARNESS RACING CLUB

Ms Bernadette Wheeler, Secretary  
PO Box 824  
STRATHALBYN SA 5255  
President: Mr Max Beasley

### VICTOR HARBOR HARNESS RACING CLUB

Ms Jill Hagemann, Secretary  
PO Box 76  
VICTOR HARBOR SA 5211  
President: Mr Lew Parker

### WHYALLA HARNESS RACING CLUB

Mr Dennis Hearne, Secretary  
PO Box 2403  
WHYALLA NORRIE SA 5608  
President: Mr Brian Daniels

### YORKE PENINSULA HARNESS RACING CLUB

Mrs Pauleen Linke, Secretary  
Lot 14 Moonta Road  
KADINA SA 5554  
President: Mr Todd Mumford

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### SA BREEDERS OWNERS TRAINERS REINSPERSONS ASSOCIATION INC (BOTRA)

Ms Sharen Hoogmoed, Secretary/Treasurer  
PO Box 336  
FINDON SA 5023  
President: Mr Lane Johnson

### SA REINSWOMEN'S ASSOCIATION

Ms Kathy Pickering, Secretary/Treasurer  
7 Sander Court  
BURTON SA 5110  
President: Ms Jill Neilson

### SA SQUARE TROTTERS ASSOCIATION

Mr David Jones, Secretary  
PO Box 727  
TWO WELLS SA 5501  
President: Mr Dick White

### SA COUNTRY HARNESS RACING CLUBS ASSOCIATION (SACHRCA)

Mr Rod Whenan Secretary  
PO Box 70  
KAPUNDA SA 5373  
President: Mr Peter Ashby

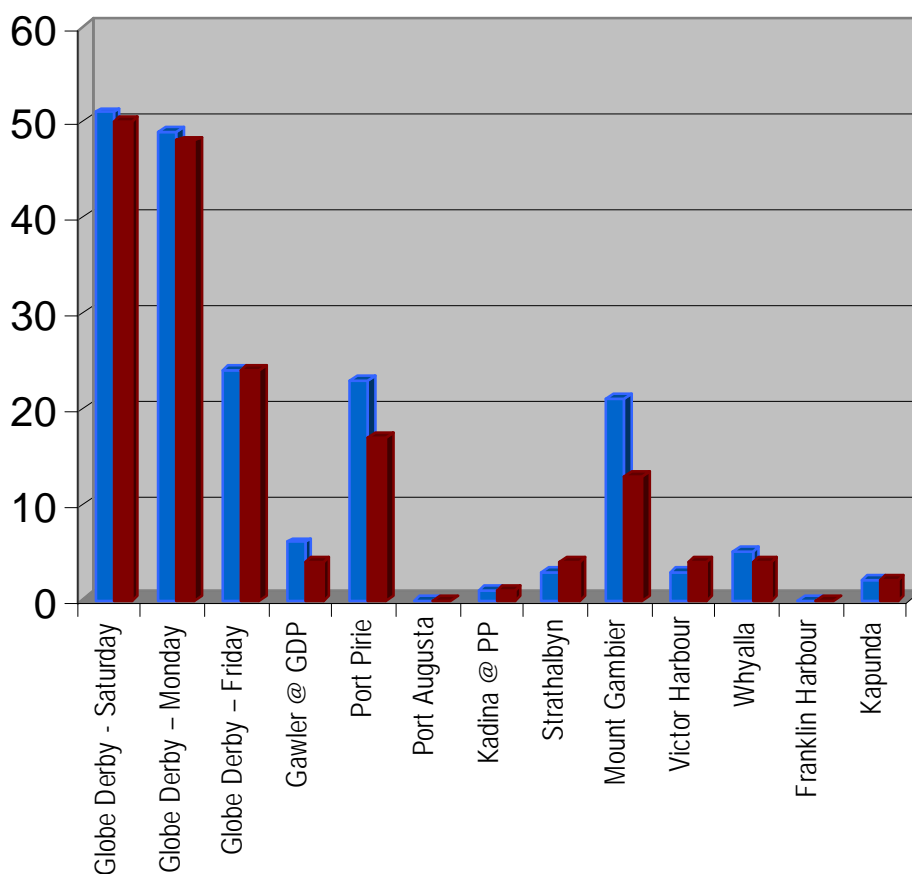
### SOUTH AUSTRALIAN HARNESS RACING PONY ASSOCIATION

Ms Julie Gilbert, Secretary  
19 Trotters Drive  
GLOBE DERBY PARK SA 5110  
President: Ms Julie Billinger



## Number of Race meets (TAB & non-TAB)

	2009/10	2008/09
Globe Derby - Saturday	51	50
Globe Derby – Monday	49	48
Globe Derby – Friday	24	24
Gawler @ GDP	6	4
Port Pirie	23	17
Port Augusta	-	-
Kadina @ PP	1	1
Strathalbyn	3	4
Mount Gambier	21	13
Victor Harbour	3	4
Whyalla	5	4
Franklin Harbour	-	-
Kapunda	2	2
<b>TOTAL</b>	<b>188</b>	<b>171</b>





## Racing Appeals Tribunal

Registrar, Mr Des Milne, on behalf of Racing SA Ltd, co-ordinates the Racing Appeals Tribunal from the offices of HRSA Ltd.

For period 1 July 2009 to 30 June 2010:

Code	Carried Over From 2007/2008	Appeals Lodged	Heard	Days	Hours
TRSA	-	7	7	7	25
HRSA	-	13	13	9	22
GRSA	-	1	0*	1	2
<b>TOTAL</b>	-	<b>21</b>	<b>20</b>	<b>17</b>	<b>49</b>

\*1 matter part heard

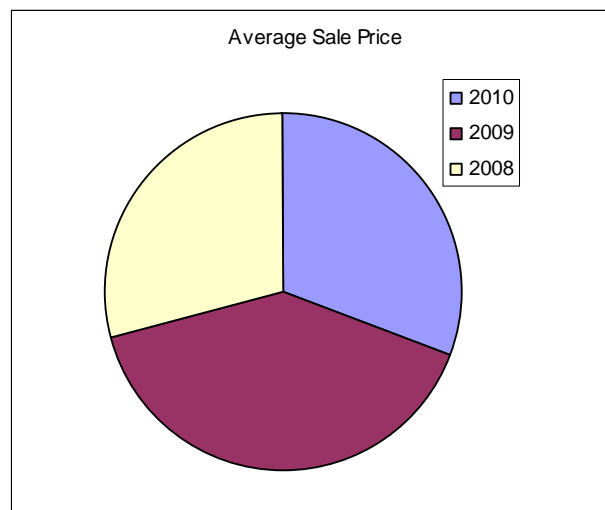
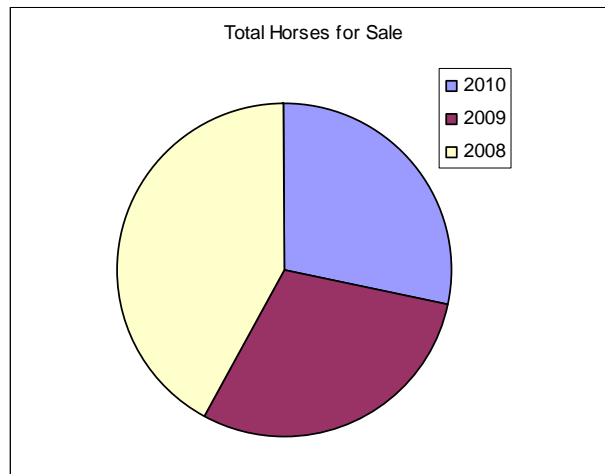
The Results of Appeals July 2009 to June 2010	TRSA	HRSA	GRSA
Allowed in Full (Conviction quashed)	-	1	-
Allowed in Part (Penalty varied)	1	5	-
Withdrawn	-	-	-
Yet to be Heard/Completed	-	-	1
Referred Back to Stewards	-	-	-
Dismissed	6	7	-
<b>TOTAL</b>	<b>7</b>	<b>13</b>	<b>1</b>

# SA Yearling Sales 2010

Harness Racing SA transferred the running of the 2010 Yearling Sale to Davidson Cameron Board & Simmons and it was held at the Magic Millions Complex, Morphettville.

The result of this year's Sale is as follows:-

	2010	2009	2008
Total Horses Catalogued	53	54	75
Horses Withdrawn	7	6	6
Total Horses for Sale	46	48	69
Total Sales	\$312,750	\$425,000	\$446,500
Average Sale Price	\$6,798	\$8,854	\$6,471





# Statement of Affairs

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## PRINCIPAL ACTIVITIES

The Company's principal activities in the course of the financial year were the programming, scheduling and running of harness racing meetings, payment of stake-monies to industry participants, and provision of industry control and direction.

## REVIEW OF OPERATIONS

Harness Racing SA is a Limited Company comprised of 11 Member Clubs and has the responsibility to:

- Encourage, promote and foster the ideals and traditions of harness racing.
- Make harness racing more attractive to existing race goers and new participants.
- Provide industry control and direction.
- Effectively market and promote the sport of harness racing.
- Increase the returns to Owners, Breeders, Trainers and Drivers participating in harness racing.

HRSA mission is to continue to develop an industry that fosters interest, a high degree of integrity and quality racing in order to maximise wagering revenue both on and off course. This will provide returns to industry stakeholders and ensure opportunities for growth and the ongoing viability of the sport.

Some of the major areas concentrated by management are as follows:

### Wagering Turnover

- SA TAB Off-Course Turnover
- By Racing Codes Split
- Percentage Market Share
- On-Course Wagering Turnover

### Financial

- TAB Distribution
- Total Stake-money Paid
- Capital Grants To Clubs
- Club Operating Subsidies
- Administration Expenses
- Racing Expenses (Excluding Stake-money)

### Racing

- Race Meetings and Number of Races
- Live Foals and Horses Named
- Yearling Sales

### People

- Licensed
- Employees
- Owners

## Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## Future Developments

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.



## Statement of Affairs

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### Indemnification of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, Mr David Aldred, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure to the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

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**Grant Goodall**  
CHAIRMAN

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**Graham Taylor**  
FINANCE DIRECTOR

ADELAIDE, 24 SEPTEMBER 2010



## Directors' Declaration

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In accordance with a resolution of the Directors of Harness Racing SA Ltd, we state that, in the opinion of Directors:

- the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company;
- the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 and comply with Accounting Standards;
- and there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

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**Grant Goodall**  
CHAIRMAN

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**Graham Taylor**  
FINANCE DIRECTOR

ADELAIDE, 24 SEPTEMBER 2010





## **Auditor's Independence Declaration**

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## **Auditor's Independence Declaration**

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# Statement of Financial Performance

For the Financial Year Ended 30 June 2010

Notes to the financial statements are included on pages 22 to 27

	Notes	2010 \$	2009 \$
Revenues from Ordinary Activities			
TAB Distribution		6,124,559	6,058,077
Other Income		2,210,764	1,802,656
<b>Total Revenues from Ordinary Activities</b>		<b>8,335,323</b>	<b>7,860,733</b>
Operating Expenses			
Racing Expenses		7,453,999	5,918,618
Administration Expenses		824,615	686,763
Borrowing Cost		10,795	13,180
<b>Total Operating Expenses</b>		<b>8,289,409</b>	<b>6,618,561</b>
Net Profit / (Loss) from Ordinary Activities	2	45,914	1,242,172
Less Non Operating Expenses		14,759	209,241
<b>Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners</b>		<b>31,155</b>	<b>1,032,931</b>



# Statement of Financial Position

For the Financial Year Ended 30 June 2010

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash Assets		627,962	847,493
Receivables	5	451,948	407,040
Others	6	243,391	201,166
<b>Total Current Assets</b>		<b>1,323,301</b>	<b>1,455,699</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	116,525	102,235
<b>Total Non-Current Assets</b>		<b>116,525</b>	<b>102,235</b>
<b>Total Assets</b>		<b>1,439,826</b>	<b>1,557,934</b>
<b>Current Liabilities</b>			
Payables and Income Received in Advance	8	480,732	422,635
Interest-bearing Liabilities	9	0	44,115
Provisions	10	79,270	235,904
<b>Total Current Liabilities</b>		<b>560,002</b>	<b>702,654</b>
<b>Non Current Liabilities</b>			
Interest-bearing Liabilities	11	15,505	22,116
Provisions	12	0	0
<b>Total Non Current Liabilities</b>		<b>15,505</b>	<b>22,116</b>
<b>Total Liabilities</b>		<b>575,504</b>	<b>724,770</b>
<b>Net Assets / (Liabilities)</b>		<b>864,319</b>	<b>833,164</b>
<b>Equity</b>			
Retained Profits / (Accumulated Losses)	14	864,319	833,164
<b>Total Equity</b>		<b>864,319</b>	<b>833,164</b>



# Statement of Cash Flows

For the Financial Year Ended 30 June 2010

Notes to the financial statements are included on pages 21 to 26

## CASH FLOW STATEMENT

	Notes	Inflows (Outflows)	
		2010 \$	2009 \$
<b>Cash Flows From Operating Activities</b>			
Receipts in the Course of Operations		9,496,412	8,600,657
Payments in the Course of Operations		(9,653,840)	(7,525,007)
Interest Received		41,110	5,125
Interest Paid		(2,682)	(13,180)
Net Cash Provided by / (Used in) Operating Activities	21(b)	<u>(119,000)</u>	<u>1,067,595</u>
<b>Cash Flows From Investing Activities</b>			
Payment for Plant and Equipment		(60,507)	(12,071)
Proceeds from Sale of Plant and Equipment		4091	0
Net Cash Used in Investing Activities		(56,416)	(12,071)
<b>Cash Flows From Financing Activities</b>			
Repayment of Borrowings		0	(138,104)
Net Cash Provided by / (Used in) Financing Activities		<u>0</u>	<u>(138,104)</u>
Net Increase / (Decrease) in Cash Held		<u>(175,416)</u>	<u>868,377</u>
Cash at the Beginning of the Financial Year		<u>803,378</u>	<u>(64,999)</u>
Cash at the End of the Financial Year	21(a)	<u>627,962</u>	<u>803,378</u>



# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

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## 1. SUMMARY OF ACCOUNTING POLICIES

### Financial Reporting Framework

The financial report is a general-purpose financial report which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

### Going Concern Basis

As at 30 June 2010, the Company has an excess of net current assets of \$747,797 and a net profit for the year of \$31,155.

### Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfied the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**Accounts Payable** – Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**Acquisition of Assets** – Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

**Depreciation** – Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a diminishing value basis so as to write-off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The following estimated useful lives are used in the calculation of depreciation:

Motor Vehicles	4 years
Plant and Equipment	2 – 5 years

**Employee Entitlements** – Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and on-costs when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and on-costs, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.



# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

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Provisions made in respect of other employee entitlements which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

**Goods and Services Tax** – Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority, is included as part of receivables or payables.

**Income Tax** – In accordance with Section 50 – 45 of the Income Tax Assessment Act 1997, the Company is not required to pay income tax.

**Interest-Bearing Liabilities** – Debentures, bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

**Recoverable Amount of Non-Current Assets** – Non-current assets are written-down to recoverable amounts where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

**Revenue Recognition** – Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

**Rendering of Services** – Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

**Receivables** – Trade receivables and other receivables are recorded at amounts due, less any provision for doubtful debts.



# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

## 2. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities included the following items of revenue and expenditure

(a) Revenue from Ordinary Activities	2010	2009
	\$	\$
<b>Rendering of Services</b>		
TAB Distribution	6,124,559	6,058,077
Government Tax Relief	760,840	574,057
General	406,945	362,688
Race Fields Fees Net	896,558	756,500
Southern Cross Series	96,519	91,823
Yearling Sale	8,792	12,463
	<b>8,294,213</b>	<b>7,855,608</b>
<b>Interest Revenue</b>		
Other Entities	41,110	5,125
Total Operating Revenue	<b>8,335,323</b>	<b>7,860,733</b>
<b>Total Revenue from Ordinary Activities</b>	<b>8,335,323</b>	<b>7,860,733</b>
<b>(b) Operating Expenditure</b>		
Stakemonies	5,212,311	4,094,247
Racing Expenses	1,968,238	1,522,871
Southern Cross Bonuses	273,450	301,500
Administration Expenses	782,490	660,052
Depreciation Expense	42,125	26,711
Borrowing Cost Expense	10,795	13,180
Written-down Value of Property, Plant and Equipment disposed	0	0
Total Operating Expenses	<b>8,289,409</b>	<b>6,618,561</b>
Profit / (Loss) from Ordinary Activities	45,914	1,242,172
Less Non Operating Expenses	14,759	209,241
<b>Net Profit / (Loss)</b>	<b>31,155</b>	<b>1,032,931</b>

## 3. DIRECTORS' REMUNERATION

The aggregate of income paid or payable, or otherwise made available in respect of the financial year, to all Directors of the Company, directly or indirectly, by the Company or by any related party.

<b>85,746</b>	<b>92,497</b>
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The Directors of HRSA Ltd during the year were:

Catherine Cooper (Director – 1 July 2009 to 31 March 2010), Grant Goodall (Chairman – 1 July 2009 to 30 June 2010), Michael Giorgio (Director – 1 July 2009 to 30 June 2010), Alex Peden (Director – 1 July 2009 to 30 Sept 2009), Des Stanbury (Director – 1 July 2009 to 30 June 2010) and Allen Tapp (Director – 1 July 2009 to 31 March 2010, Adrian Edgar (Director – 1 Oct 2009 – 30 June 2010) .





# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>4. REMUNERATION OF AUDITORS</b>		
Auditing the Financial Report	7,100	6,500
Other Services	0	0
<b>5. CURRENT RECEIVABLES</b>		
TAB Distribution Receivables	397,379	383,418
Other Debtors	54,669	23,622
<b>Total Current Receivables</b>	<b>451,948</b>	<b>407,040</b>
<b>6. OTHER CURRENT ASSETS</b>		
Accrued Income	241,248	197,003
Prepayments	2,143	4,163
<b>Total Other Current Assets</b>	<b>243,391</b>	<b>201,166</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
		Plant and equipment at cost
Gross Carrying Amount		
Balance at 30 June 2009	470,563	
Additions	60,507	
Disposals	40,052	
<b>Balance at 30 June 2010</b>	<b>491,018</b>	
Accumulated Depreciation		
Balance at 30 June 2009	368,329	
Disposals	14,307	
Depreciation Expenses	42,125	
<b>Balance at 30 June 2010</b>	<b>396,147</b>	
Net book value		
As at 30 June 2009	102,234	
As at 30 June 2010	116,526	
<b>8. CURRENT PAYABLES AND INCOME RECEIVED IN ADVANCE</b>		
Trade Payables	262,388	322,451
Accrued Expenses	162,344	68,579
Monies Received in Advance	56,000	31,605
	<b>480,736</b>	<b>422,635</b>
<b>9. CURRENT INTEREST-BEARING LIABILITIES</b>		
Unsecured Bank Overdraft	0	44,115



# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

	Notes	2010 \$	2009 \$
<b>10. CURRENT PROVISIONS</b>			
Employee Entitlements	13	72,659	57,900
Future Field Legislation Fees		0	171,393
Hire Purchase Liability		6,611	6,611
		<b>79,270</b>	<b>235,904</b>
<b>11. NON-CURRENT INTEREST-BEARING LIABILITIES</b>			
Secured Bank Loan – This Loan is secured by a Mortgage Debenture over the whole of the Company's assets and undertakings.		0	0
Hire Purchase Liability		15,505	22,116
		<b>15,505</b>	<b>22,116</b>
<b>12. NON-CURRENT PROVISIONS</b>			
Employee Entitlements (Note 13)	13	0	0
<b>13. EMPLOYEE ENTITLEMENTS</b>			
The aggregate employee entitlement liability recognized and included in the financial statements is as follows:			
Current	10	72,659	57,900
Non-current	12	0	0
		<b>72,659</b>	<b>57,900</b>
Number of Employees at End of Financial Year		<b>6</b>	<b>7</b>
<b>14. RETAINED PROFITS</b>			
Balance at Beginning of Financial Year		833,164	(199,767)
Net Profit / (Loss)		31,155	1,032,931
		<b>864,319</b>	<b>833,164</b>

## 15. ECONOMIC DEPENDENCY

A significant volume of the Company's revenue is derived from UNITAB Pty Ltd as a monthly Product Fee under the current Racing Distribution Agreement.

## 16. CONTRIBUTED EQUITY

HRSA Ltd is a Company limited by a guarantee of \$2 per member. At 30 June 2010, the Company had 11 members.

## 17. FUTURE PAYABLE COMMITMENTS

Race field fees for the year end June 2009 are subject to change by Victorian legislation and increases may be charged to Harness Racing SA Ltd during the year end June 2011. The Financial impact of this Liability has not been advised at the time of this report.

## 18. SEGMENT INFORMATION

HRSA Ltd is the controlling body for harness racing in South Australia. The primary object for which the Company is established, is for the encouragement of harness racing. This includes the regulation and control of the harness racing code and the conduct of harness race-meetings and harness races within South Australia.



# Notes to the Financial Statements

For the Financial Year Ended 30 June 2010

## 19. RELATED PARTY DISCLOSURES

- (a) Directors' Remuneration and Retirement Benefits  
 Details of Directors' Remuneration are disclosed in Note 3(HRSA4) of the financial statements.
- (b) Other Transactions with Directors  
 Members of the Authority or Board of Directors, or their relatives, may from time to time receive prize money from HRSA Ltd following the success of horses owned or trained by them. This prize money is paid by HRSA Ltd on the same terms and conditions as apply to any other owner or trainer.

## 20. FINANCIAL INSTRUMENTS

	2010	2009
	\$	\$
<b>Interest Rate Risk</b>		
The following table details HRSA Ltd's exposure to interest risk as at the reporting date, all other financial assets and liabilities are non-interest bearing.		
Bank Overdraft – Variable	0	44,115

### Credit Rate Risk

Credit Rate Risk refers to the risk that the counter-party will default on its contractual obligations, resulting in financial loss to HRSA Ltd. The Company has a significant credit risk exposure to one counter-party, UNITAB Pty Ltd. The carrying amount of the financial assets recorded in the Balance Sheet represents HRSA Ltd's maximum exposure to credit risk.

### Net Fair Value

The Net Fair Value as at the reporting date of each class of financial asset and liability is represented by the carrying amount.

## 21. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash		
Cash	627,962	
Bank (Overdraft)	0	
	627,962	
(b) Reconciliation of Net Profit / (Loss) to Net Cash Flows		
From Operating Activities		
Net Profit / (Loss)	31,155	
Depreciation	42,125	
(Increase) / Decrease in Receivables	(44,908)	
(Increase) / Decrease in Other Current Assets	(42,225)	
Increase / (Decrease) in Payables	58,097	
Increase / (Decrease) in Provisions	(156,634)	
Increase/ (Decrease) in Interest Bearing Liabilities	(6,610)	
	(119,000)	
(c) Financing Facilities		
<b>Bank Overdraft</b>		
Amount Used	0	
Amount Unused	250,000	
	250,000	



HRSA Ltd is a public company incorporated and operating in Australia.  
Registered office and principal place of business:  
1 Globe Derby Drive  
Globe Derby Park SA 5110  
ADELAIDE, 24 SEPTEMBER 2009