HARNESS
RACING SA

Annual Report 2010/11

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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 2011

Vision

"Harness Racing to be the leading racing code in South Australia"

Mission Statement

To deliver leadership to the South Australian Harness Racing Industry and to enhance, promote and encourage all aspects of the sport of Harness Racing.

Objectives

- Increase Turnover & Market Share to be the second largest turnover code
- Generate more Public Interest in Harness Racing
- Increase Active Participation in Harness Racing
- Deliver a Strong Financial and Governance Model

Chairman's Report

During this year the HRSA Board implemented significant changes to the senior management team structure with new CEO, John Lewis appointed late in 2010. Appointments were also made in the new positions of Finance Manager and Racing Manager. John's appointment was as joint CEO of the HRSA and South Australian Harness Racing Club Globe Derby Park (SAHRC) after an historic agreement between the HRSA and SAHRC. This new management structure was seen as essential to having the right mix in place of new and existing staff to take the industry forward.

At the time of writing this report the agreement of a joint CEO, funded entirely by HRSA for 2 years, has been successful in providing the management structure for the SAHRC's committee to reverse its current debt issues at Globe Derby Park. Globe Derby Park is a great venue with exciting development plans for the future that can only be fully realised with the right team in place, which was one of the reasons for the joint CEO agreement. A healthy SAHRC is an essential part of the future of harness racing in SA.

HRSA has continued to build on its successful change agenda of recent years and continued this theme with the Board signing off on new strategic and marketing plans. Following the development and subsequent adoption of the HRSA strategic plan, several new initiatives have already been implemented. A key initiative in 2011 was the decision to commence an additional racing day with Tuesday night racing at Globe Derby Park televised on Sky 1 to grow market share.

The installation of a permanent DVN Link at the Mt Gambier HRC in 2011 was a significant investment that will benefit both racing in the South–East and state turnover. We acknowledge the financial assistance of the State Government in the funding of the DVN link.

I would like to extend my personal thanks to the Board and staff at HRA and HRSA for their efforts and personal support in my time on both Boards. Particular thanks to Geoff Want, Andrew Kelly and his team for their national leadership. Also thanks go to all those industry participants and clubs that contribute to our great sport.

GRANT GOODALL
CHAIRMAN

Mr Grant Goodall with the Governor of South Australia, His Excellency Rear Admiral Kevin Scarce AC CSC RANR and Mrs Scarce

Board of Directors July 2010 - June 2011

Mr Grant Goodall (Chairman)
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
Term expires 30 September 2011

Mr Michael Deare BA, JP
Commenced 30 June 2010
Term – two years
Term expires 30 June 2012

Mr Adrian Edgar GCert. Management
Director nominated by SACHRCA
Commenced 1 October 2009
Term – two years
Term increased to three years
Term expires 30 September 2012

Mr Michael Giorgio LLB (Hons)
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
Term expires 30 September 2011

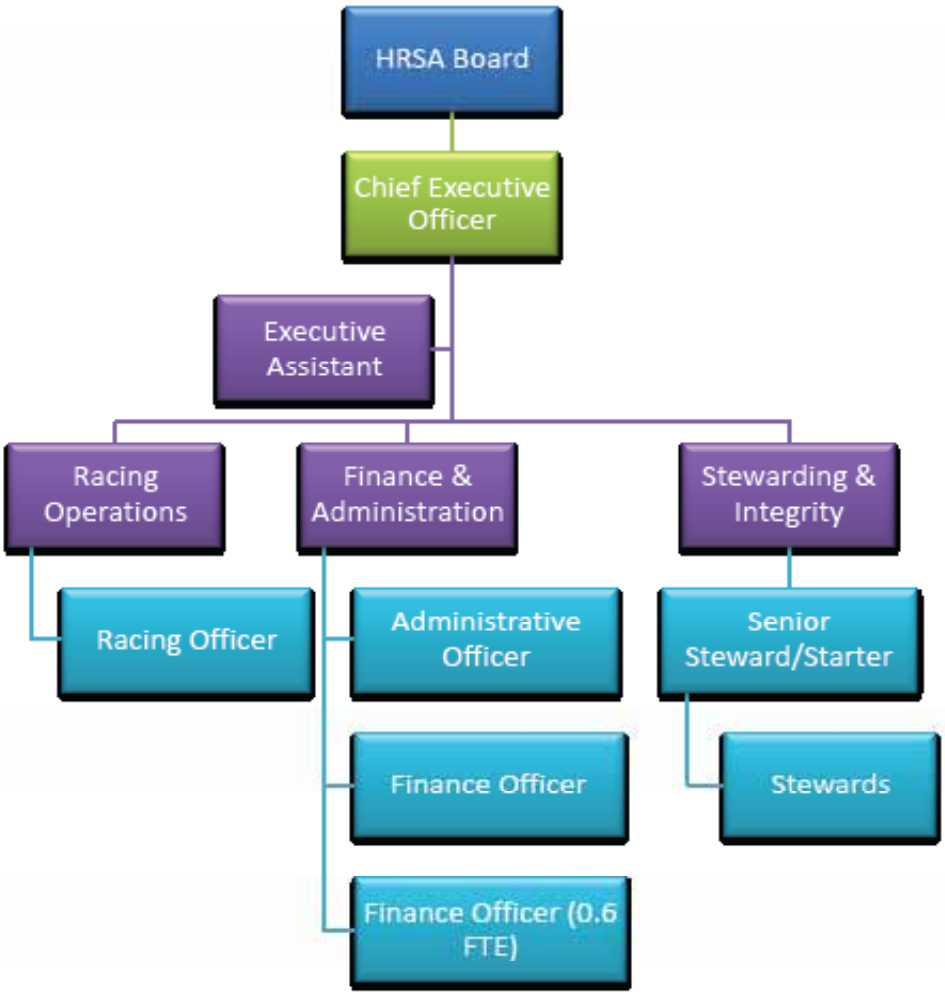
Mr Des Stanbury
Director nominated by SAHRC
Commenced 1 October 2007
Term – three years
Reappointed for a further two years
Term expires 30 September 2012

Mr Graham Taylor BA(Acct) FCPA MAICD MAMI
Commenced 30 June 2010
Term – two years
Expires 30 June 2012

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

		Board meetings attended	Maximum possible to attend
Grant Goodall	Chairman	11	12
Michael Deare	Director	12	12
Adrian Edgar	Director	11	12
Michael Giorgio	Director	12	12
Des Stanbury	Director	12	12
Graham Taylor	Director	12	12

HRSA Personnel 2010/2011



Chief Executive Officer	Mr John Lewis	(commenced December 2010)
General Manager	Mr David Aldred	(resigned August 2010)
(Interim CEO)	Mr Michael Godber	(August - October 2010)
Finance Manager	Mr Oliver Bott	(commenced January 2011)
Corporate Services Manager	Mr Peter Hailes	(position retired January 2011)
Chairman of Stewards	Mr Stephen Mulcay	
Racing Operations Manager	Mr Peter Smith	(commenced December 2010)
Executive Assistant	Ms Leanne Bragg	(commenced August 2010)
Senior Steward/Starter	Mr Rodney Foureur	
Racing Officer	Mr Peter Collier	(June - November 2010)
	Mr David Thuen	(commenced November 2010)
Finance Officer	Mrs Kathryn Nicolai	
Finance Officer	Mr Peter Hailes	(commenced in position January 2011)
Administrative Officer	Mrs Valerie Haydon	

Chief Executive Officer's Report

Mr John Lewis, CEO

Since commencing in the role of Chief Executive Officer in December 2010, we have seen a period of significant change and increased activity for the harness racing industry in South Australia. Some of the key initiatives and activities are summarised as follows:

Increasing Market Share and Turnover

Following the development and subsequent adoption of the HRSA Strategic Plan, management have been able to undertake a number of initiatives and actions that are consistent with the key objectives of the Strategic Plan. A key initiative in this area was the decision to commence Tuesday night racing at Globe Derby Park televised on Sky 1. This was a direct outcome of our principal objective to grow market share and turnover to be the second largest racing code. The background to this decision was the continual decline in our market share over several years, which was resulting in significantly less revenue for the industry. It is important to note that a 1% fall in market share is around $500,000 less income for the harness racing industry. Therefore our intention is to generate increased revenue which provides better opportunities in the coming years to re-invest in the South Australian harness racing industry.

In line with the objective of increasing turnover, we will continue to work with all major stakeholders including Sky Channel and Tattsbet.com to research and develop new initiatives. With the advent and subsequent explosion of growth in sports betting generally, we need to ensure that we develop new products in order to increase wagering on our code.

Fixed odds wagering for Harness Racing continues to be a source of concern with thoroughbreds enjoying increased turnover at our expense. TattsBet's commitment to fixed odds wagering for Harness Racing is small by comparison, and we intend to continue to lobby TattsBet to offer more fixed odds wagering. In relation to fixed odds wagering on course, we will continue to lobby the Government to allow this to occur.

The advent of Sky 2 continues to provide mixed results for Harness Racing. Although only 10% of our TAB meetings are telecast on Sky 2, the turnover levels are concerning, which is compounded by the large number of licensed venues that do not have Sky 2. However on the flip side, it should be noted that Sky 2 has enabled our industry to convert more non TAB race meetings.

Generating More Public interest in Harness Racing

The HRSA Marketing and Advertising Plan for harness racing in South Australia was a direct outcome of the second objective in our Strategic Plan – to generate more public interest in harness racing and therefore present harness racing as the premier racing code in South Australia. We intend to generate increased editorial coverage of harness racing throughout South Australia including 'profile stories' about the people who are actively involved in the sport of harness racing, as well as a greater focus on upcoming racing events. This will require establishing closer relationships with all major media outlets.

We also intend to fully optimise our programming of country and regional race meetings including better utilising the key holiday periods including Christmas/New Year, Easter and the various long weekends to program specific race meetings at key regional and country venues. In addition we intend to develop a major marketing theme to promote harness racing across the State.

Chief Executive Officer's Report

We are also working towards providing a dedicated website for all racing clubs which will assist Clubs to promote racing events, as well as sponsorship and membership opportunities.

As part of improving our communication with the industry we commenced a new monthly publication called 'On the Pace'. This publication is available in both hard copy and 'on line' and is an important resource in keeping the industry informed on a range of issues. The publication also includes regular updates from the Racing Operations Manager, Chairman of Stewards and the Industry Advisory Committee (IAC).

Investing in Racing Infrastructure

As part of our commitment to invest in racing infrastructure, the HRSA Board approved the upgrading of our fleet of Mobile Barriers. We have purchased a new Mobile Barrier and vehicle, as well as upgrading one of our other Mobile Barriers including a new vehicle and an upgraded Barrier system. Therefore we will have a total of three Mobile Barriers. We will re-locate one of our Mobile Barriers to Port Pirie, where it will be used for all of their race meetings and as required at Whyalla. The other two Mobiles will be based in Adelaide for use at Globe Derby Park and at our other regional and country race meetings.

In addition, the installation of a permanent DVN Link at the Mt Gambier HRC is a significant investment that will benefit both racing in the South–East and across South Australia, and resulting in an additional eight TAB meetings.

Growing Sponsorship

During the course of 2011, we were delighted to confirm the sponsorship of two leading companies – TattsBet and Maughan Thiem Ford. We announced TattsBet as the premier sponsor of the Southern Cross Series, and their continued support of harness racing is very much appreciated. Maughan Thiem Ford have joined in a new and exciting partnership with HRSA. This partnership is centred around the sponsorship of the two new mobiles that have been purchased by HRSA, which feature the Maughan Thiem signage, in addition to signage at Globe Derby Park. We are very confident that this relationship will deliver significant benefits to harness racing across South Australia.

I would like to extend my personal thanks to the Board and staff at HRSA for their efforts and to also thank the industry for their continued commitment and support of harness racing in South Australia. I would like to also acknowledge the outstanding efforts of the committee members of our member clubs, and the various harness racing organisations that work tirelessly on our behalf.

Finally, to the people that put on the 'event' - the owners, trainers and drivers - without you we would not have an industry and your dedication and support is very much appreciated.

JOHN LEWIS
CHIEF EXECUTIVE OFFICER

South Australian Clubs & Affiliates

MEMBER CLUBS

Franklin Harbor Racing Club
Gawler Harness Racing Club
Kapunda Harness Racing Club
Mount Gambier Harness Racing Club
Port Augusta Harness Racing Club
Port Pirie Harness Racing Club
South Australian Harness Racing Club
Strathalbyn Harness Racing Club
Victor Harbor Harness Racing Club
Whyalla Harness Racing Club
Yorke Peninsula Harness Racing Club

AFFILIATES

SA Breeders Owners Trainers Reinspersons Association Inc (SA BOTRA)
SA Reinswomen's Association (SARA)
SA Square Trotters Association (STA)
SA Country Harness Racing Clubs Association (SACHRCA)
South Australian Harness Racing Pony Association (SA PONY TROTS)

CLUB HIGHLIGHTS

- Completion of the Gawler Harness Racing Club new Training Track
- Running of the "Monte" ,the only ridden Standardbred race in Australia
- The Port Pirie Harness Racing Club "Elders Insurance Drivers Invitation Series"
- State Government Grant for Mount Gambier Harness Racing Club to install DVN Link
- The return of the "Trotters Marathon" at Kapunda Harness Racing Club

Snapshot of the Clubs

Club	Track Details	Distance from Adelaide CBD	2010/11 Cup winner	Club President & Secretary
Franklin Harbor (Cowell)	812m Training track	235km	NA	President: Greg Baker Secretary: Belinda Harris
Gawler	980m Training track	40km	Our Malabar NZ (Lance Justice)	President: Peter Bain, Secretary: Peter Ashby
Kapunda	800m	80km	Power in Disguise NZ (Les Harding)	President: Marcus Hearl Secretary: Rod Whenan
Mount Gambier	805m	430km	Devilish Smile (Peter Tonkin)	President: Phil Wood Secretary: Teresa Battiston
Port Augusta	600m Training track	300km	NA	President: Ron Holtham Secretary: Ron Holtham
Port Pirie	950m	220km	Ohoka Nevada NZ (Jonathon Kingston-Mayne)	President: Mick Darling Secretary: Neville Thompson
SAHRC (Globe Derby)	846m	20km	Smoken Up (Lance Justice)	President: Richard Noble Secretary: Ashley Kramer
Strathalbyn	805m	55km	Wideford Hill (Les Harding)	President: Max Beasley Secretary: Bernadette Wheeler
Victor Harbor	1000m	90km	Sound System (Rick Frearson)	President: Lew Parker Secretary: Jill Hagemann
Whyalla	876m	380km	Smart Ja (John Beshara)	President: Brian Daniels Secretary: Dennis Hearne
Yorke Peninsula (Kadina)	650m Training track	150km	Conte Del Forno NZ (Peter Sergi)	President: Todd Mumford Secretary: Pauleen Linke

Industry Advisory Committee

The Industry Advisory Committee is a consultative group that meets on a regular basis. It is appointed as part of the Constitution of Harness Racing SA. The Industry Advisory Committee (IAC) consists of seven persons who are appointed by HRSA Board. It includes three people nominated by the SAHRC, three people nominated by the SACHRCA and one person nominated by SABOTRA. The group usually meets bimonthly; also attending the meetings are HRSA Board and Management representatives.

In accordance with the HRSA Constitution; the functions of the Advisory Committee are:

- To provide advice to the HRSA on industry policy and strategic direction;
- To serve as a channel for communication between the industry stakeholders that it represents and the HRSA;
- To provide a forum for discussion of issues of concern and the making of recommendations to the HRSA; and
- At the request of the HRSA, to nominate members to serve on committees or working groups established by the HRSA.

The current members of the IAC and their proxies are:

SAHRC	SACHRCA	BOTRA
Bronte Giorgio (Chair)	Glen Steele (proxy Kaye Harris)	Ray Holberton
Lyn Tester	Peter Bain (proxy Toby Ryan or Stephen Norman)	
Dennis Lyle	Neville Thomson (proxy Leah Harvey)	

Racing Operations

2010/11 has seen major changes to the administration of harness racing in South Australia. Part of this was the creation of the role of Racing Operations Manager. The role included the return to South Australia of all racing functions, which were previously performed by Harness Racing Victoria. This change was completed in March and I would like to acknowledge the efforts of David Thuen as Racing Officer who was also new to HRSA this year. I would also like to thank both Kathryn Nicolai and Valerie Haydon for the support they have provided to the Racing section.

Mr Peter Smith
Racing Operations
Manager

There is no doubt harness racing has some challenges ahead of it, but there is definitely light at the end of the tunnel in relation to wagering and turnover. Harness racing is currently the number three code in SA and we must work together to get the code back to the number two position. While it is not an overnight fix, HRSA has made some significant steps in this direction.

The single most important factor for SA harness racing is that of market share. Due to numerous factors, the average market share in SA has been eroded over a number of years. Some of the factors such as Equine Influenza and TVN have been outside of the industry's direct control. However there are some areas that HRSA can have direct effect on.

Strategies already in place, include:

- A decision to base prizemoney around "C" class racing. Previously "R" penalty racing had been used in combination and it was felt that this had been affecting Saturday night fields. More non penalty races were programmed to compliment the racing. Early evidence suggests an improvement to Saturday night racing.

- Strengthening our relationship with Sky Racing; they have been supportive in offering us solutions including alternative timeslots to help increase local turnover. One of the challenges that we have faced has been the Friday night meetings that have been shifted to Sky Racing 2. Where possible with the support of Sky, we have tried to maximise returns by being flexible with timeslots; this includes earlier starts and moving meetings to Friday afternoons.

  Sky Racing has also supported the installation of DVN communications at Mount Gambier. This was supported by the Minister for Racing and the funding has resulted in future Mount Gambier meetings becoming TAB fixtures. This will bring long term benefits to the industry in terms of market share and flexibility.

- The re-introduction of Tuesday night meetings for the new racing season. This has the potential to improve market share and returns to the industry. The meetings are being run at Globe Derby as 'non penalty' meetings.

RACING

There were numerous highlights in the 2010/11 racing season. It began with the Watpac 100 Year Globe Derby Birthday Cup. The $60,000 event was won by Renaissance Man for Andy and Kate Gath.

This was followed by the Summer Carnival, where Smoken Up, trained & driven by former local Lance Justice, was a superb winner of the $100,000 Sky Racing SA Cup. The other main races in the carnival included the $30,000 SEW Eurodrive SA Derby, won by Glengowan, and the $25,000 Seelite Windows SA Trotters Cup won by Ronerail.

The trotters were also featured in the Trotters Carnival in June with the 40th running of the Gramel Series being the highlight. The three legs of the series saw three different winners and Kasynov (Peter Goudie and Anthony Robinson) awarded the overall title. The $15,000 Taylor Made Travel SA Derby was won by visitor Waikare Aristocrat, trained by Graham McDermott, with Grant Campbell on board. A Country Trotters Cup series was run, with heats at many of the country club meetings, with the SA Square Trotters Country Cup race run at Globe Derby where the winner was Herecomes The Cat for trainer driver Marcus Hearl.

The Southern Cross Series is always a highlight, with Final night producing a great night of mid-winter racing. Winners were:

2YO Fillies – Beauty Secret, trained by Emma Stewart, driven by David Harding
2YO Colts & Geld.– Fistfullofdollars, trained by Les Harding, driven by David Harding
3YO Fillies – Repelem, trained by Jon Hryhorec, driven by Ryan Hryhorec
3YO Colts & Geld.- Come On Frank, trained and driven by Darren Billinger.

BOTRA in conjunction with HRSA promoted a change to the Golden Nursery. The race was divided into two $20,000 Finals, one for each sex. Owners had to make a payment in March for the August series. While the final numbers to race weren't big, over 70 horses were paid up for, suggesting the races have a place in future racing calendars.

Country Clubs ran their individual Cup meetings, with support from HRSA. The winners were:

VENUE	WINNER	TRAINER	DRIVER
Mount Gambier	Devilish Smile	Peter Tonkin	Rod Barker
Kadina @ Port Pirie	Conte Del Forno	Peter Sergi	Peter Tidswell
Gawler @ Globe Derby	Our Malabar	Lance Justice	Lance Justice
Kapunda	Power In Disguise	Les Harding	David Harding
Victor Harbor	Sound System	Rick Frearson	Ricky Frearson
Whyalla	Smart Jag	John Beshara	Michael Laird
Port Pirie	Ohoka Nevada	Jon Kingston-Mayne	Mark Billinger
Strathalbyn @ Globe Derby	Wideford Hill	Les Harding	David Harding

AUSTRALASIAN YOUNG DRIVERS CHAMPIONSHIPS

The Championships were due to be held in Christchurch during the Interdominion, but the earthquake resulted in the series being moved to June. A series of races were held in SA prior to March, with the highest point scorer to be selected. Jake Webster won this and eventually got to Christchurch where he didn't have much luck, but proved a worthy representative for South Australia.

PREMIERSHIP WINNERS

Congratulations to the winners of SA Premierships for 2010/11

State Driver:	David Harding	224 wins
State Trainer:	Jonathon Kingston-Mayne	118 wins
Female Driver:	Leah Harvey	35 wins
Female Trainer:	Leah Harvey	40 wins
Young Driver:	Jake Webster	55 wins
State Horse:	Fox Street	14 wins

PETER SMITH AssocDip(Acc)
RACING OPERATIONS MANAGER

Horse of the Year 2009/10 Season

Sunday 10th October 2010
Globe Derby Park

LEADING YOUNG DRIVER (Under 25 years)	**JAYSON FINNIS**
LEADING METROPOLITAN DRIVER	**DAVID HARDING**
LEADING STATE DRIVER	**DAVID HARDING**
LEADING METROPOLITAN TRAINER	**PETER SERGI**
LEADING STATE TRAINER	**TOBY RYAN**
LEADING STATE HORSE	**SIMON TAPPERTIT**
2-YEAR-OLD PACER OF THE YEAR	**REPELEM**
3-YEAR-OLD PACER OF THE YEAR	**OUR RISING STAR**
4-YEAR-OLD & OLDER PACER OF THE YEAR	**PURE JASPER**
2-YEAR-OLD TROTTER OF THE YEAR	**LONG MAY SHE REIGN**
3-YEAR-OLD TROTTER OF THE YEAR	**HERE COMES THE CAT**
4-YEAR-OLD & OLDER TROTTER OF THE YEAR	**SAYBIA**
CLAIMER OF THE YEAR	**HILTON ADONIS**
BROODMARE OF THE YEAR	**ROSES IN PARIS**
HRSA HORSE OF THE YEAR	**REPELEM**
NEVADA SMOKE AWARD (Special Achievement Award) This award is presented to a member of the Harness Racing Industry who has embraced the highest standards of professionalism and integrity in the industry, provided exceptional service and advice to the industry and promoted harness racing in South Australia	**JIM JACQUES**

Summer Carnival 2011

The 2011 SA Summer Carnival was an overwhelming success with excellent crowds, entertainment and two great nights of action on the racetrack.

The opening night of the Summer Carnival featured the $12,500 Group 1 Nevele R Stud SA Oaks where the Tony Peacock trained and locally owned Awaywiththefairies defeated local star Repelem. Jon Kingston-Mayne had his stable peaking at the right time claiming the 2011 St. Leger with star juvenile Glengowan and the 2011 Barastoc Cup with Ohoka Nevada.

The final night crowd of 4000 were delighted when the Lance Justice trained Smoken Up bought the crowd to their feet winning the 2011 $100,000 Group 1 Sky Racing SA Cup. Smoken Up was able to hold off all challengers to win by 2.70m over Standelle and Ohoka Nevada a further 0.6m away in third.

The 2011 $25,000 Group 3 Seelite Windows & Doors SA Trotters Cup went the way of Ronerail for Peter Manning defeating Danny Cash for Kerryn Manning. Darren Hancock took the drive aboard the latest trotting sensation in Ronerail and smashed the Globe Derby Track Record of 2:03.1 set by La Coocaracha on the 12 January 2002 in doing so. Ronerail finished runner up in the 2006 SA Trotters Cup as a juvenile, and winning the race five years later that made it all the more memorable for prominent owners Ulverstone and Manager Gary Rogers.

Jon Kingston-Mayne continued his outstanding success as a leading trainer with a winning treble on the second night of the carnival including the 2011 SEW Eurodrive SA Derby with Glengowan. This was a week after claiming the St. Leger and Longtan Safari rounded out the feature races on the carnival in the 2011 Dudley Justice Plate.

The 2011 "Be Active" SA Kindergarten went to the impressive two year old filly Moment of Silence who is unbeaten at her first three outings already with a career best mile rate of 2:00.1. The 2011 SA Heroine was taken out by the Leah Harvey trained and driven The Darl, leading all the way and running away from her rivals.

The 2011 SA Summer Carnival is over for another year but Harness Racing SA and newly appointed Racing Operations Peter Smith have already turned their attention to making the 2012 Carnival even more attractive to the public, trainers, drivers and owners.

WATPAC Globe Derby Birthday Cup

In front of a record October crowd at Globe Derby Park of just over 2000 people, Renaissance Man confirmed his brilliance in winning the $60,000 WATPAC Globe Derby Birthday Cup. Renaissance Man trained by Andy Gath and driven by Kate Gath was installed in markets as second favourite behind Roman Ruler but put pay to the Webster star straightening for home.

Renaissance Man went away to win by three metres over Roman Ruler while Dixie Chick Dreama was a further three metres away in third position. The last quarter was covered in a slick 28.6 giving a last half of 58.1 and a mile rate of 2:00.2. The 4 year old Art Major colt took another step to open class company, extending his record to 13 wins from 25 starts for just over $250,000 in prizemoney.

The first consolation was won by Captain Dale for the Webster and Sugars combination. Initially the judge put up a dead heat result between Captain Dale and High Class Broad before viewing the film several more times and discovering Captain Dale was in fact the sole winner. The second consolation was won by the 2009/2010 South Australian 3YO Pacer of the Year Our Rising Star for Greg Norman and Jock Dunlop. Dunlop drove a very patient race electing to remain in the one of position when the three wide moves come and was fortunate enough to get the required split around the final bend to cruise away with an easy victory.

The South Australian Harness Racing Industry officially extend their appreciation to Kevin & Kay Seymour and WATPAC for making the night possible and an overwhelming success.

Feature Races

DATE	RACE	STAKE	Winning horse	Winning Driver	Winning Trainer
23/10/2010	WATPAC 100 Year "Globe Derby"	$60,000	Renaissance Man	Kate Gath	Andy Gath
27/11/2010	Vet Surgeon Cup	$7,000	Ohoka Nevada NZ	Mark Billinger	Jonathon Kingston-Mayne
4/12/2010	Italian Cup	$8,000	Ohoka Nevada NZ	Mark Billinger	Jonathon Kingston-Mayne
2011 SUMMER CARNIVAL	Barastoc Cup	$12,500	Okoha Nevada NZ	Mark Billinger	Jonathon Kingston-Mayne
	Nevele R Stud SA Oaks (Group 1)	$12,500	Awaywiththefairies	Damian Wilson	Tony Peacock
1/01/2011	Cape Divine/DASSA Motorcycles SA St Leger	$12,500	Glengowan NZ	Mark Billinger	Jonathon Kingston-Mayne
2011 SUMMER CARNIVAL	Sky Racing SA Cup	$100,000	Smoken Up NZ	Lance Justice	Lance Justice
	SEW Eurodrive SA Pacers Derby	$30,000	Glengowan NZ	Mark Billinger	Jonathon Kingston-Mayne
	Seelite Windows & Doors SA Trotters Cup	$25,000	Ronerail	Darren Hancock	Peter Manning
08/01/2011	"Be Active" Kindergarten Stakes	$15,000	Moment of Silence	Wayne Hill	Joe Buttigieg
	Dudley Justice Plate	$10,000	Longtan Safari	Mark Billinger	Jonathon Kingston-Mayne
26/03/2011	2011 SA Graduate Pace	$20,000	Fistfullofdollars	David Harding	Les Harding
	Be Active Country Graduation	$8,000	Glengowan NZ	Mark Billinger	Jonathon Kingston-Mayne
23/04/2011	2011 3YO Sires Produce Stake	$8,000	Awaywiththefairies	Nathan Jack	Tony Peacock
18/06/2011	2011 SAHRC Jack Roberts Trotters (1st Leg Gramel Series)	$8,000	The Night of My Life NZ	David Harding	Les Harding
	2011 Taylor Made Travel SA Trotters Oaks	$10,000	Our Dolly Would NZ	Anthony Crossland	Martin Herbert
20/06/2011	2011 Caltex Bolivar Joe Coulter Trot (2nd Leg Gramel Series)	$8,000	Kasyanov NZ	Anthony Robinson	Peter Goudie
	2011 Taylor Made Travel Parker Classic	$6,000	Shes a Head Turner	Michael Watt	Michael Watt
25/06/2011	Caltex Bolivar Frank "Silky" Jones Trotters (3rd Leg Gramel Series)	$10,000	Likeaplayboy	Mark Webster	Lance Holberton
	2011 Taylor Made Travel SA Trotters Derby	$15,000	Waikare Aristocrat	Grant Campbell	Graham McDermott
	2011 O'Dwyer Horseshoes Monte	$6,000	Itza Special Delivery NZ	Matthew Jacques	Ryan McMillan
2/07/2011	Breeders Plate	$8,000	FortySevenFlash	Jayson Finnis	Barry Finnis
2011 SOUTHERN CROSS 30/07/2011	Tattsbet.com Southern Cross 2YO Fillies	$50,000	Beauty Secret	David Harding	Emma Stewart
	Tattsbet.com Southern Cross 2YO Colts & Geldings	$50,000	Fistfullofdollars	David Harding	Les Harding
	Tattsbet.com Southern Cross 3YO Fillies	$50,000	Repelem	Ryan Hryhorec	Jon Hryhorec
	Tattsbet.com Southern Cross Colts & Geldings	$50,000	Come on Frank	Darren Billinger	Darren Billinger
27/08/2011	BOTRA Golden Nursery Fillies	$20,000	Concorde Crest	David Harding	Toby Ryan
	BOTRA Golden Nursery Colts & Geldings	$20,000	Fistfullofdollars	David Harding	Les Harding

Yearling Sale 2011

Harness Racing SA transferred the running of the 2011 Yearling Sale to Davidson Cameron Board & Simmons and it was held at Globe Derby Park on Sunday 23 January 2011.

	2011	2010	2009	2008
Total Horses in Catalogue	36	53	54	75
Horses Withdrawn	9	7	6	6
Total Horses for Sale	27	46	48	69
Total Sales	$175,000	$321,750	$425,000	$446,500
Average Sale Price	$6,481	$6,798	$8,854	$6,471

Stewarding & Integrity

I would like to thank the HRSA Ltd Board for the opportunity to provide this report and also for their support since my appointment in April 09.

On behalf of my Panel I extend our best wishes to Directors Grant Goodall and Michael Giorgio and thank them for their efforts during their time in office. I would also like to thank CEO John Lewis for his support since his appointment and confirm that the Panel look forward to working with John in the future.

Mr Stephen Mulcay, Chairman of Stewards

2010/11 Season

There were various policies that were introduced or amendments made that impacted on racing. These included

- Whip Rule changes – the rule that had been in place since 1 January 2010 was amended effective 1 October 2010 to enable a driver to cross his reins and use the whip in the approved manner from the 200m mark. Local policy was further amended as at 1 April 2011 whereby cautions would no longer be issued for a first offence with a penalty of a $100 fine being imposed in the first instance if it was deemed to be a minor breach relating to an incorrect action. It is interesting to note that this policy change has greatly improved driver compliance with the rule requirements.

- Sectional time standards for all Globe Derby Park meetings – this was introduced at the start of the season and I believe that it has been beneficial given that it ensures that races are run at a true tempo thereby not greatly advantaging or disadvantaging the various runners dependent on whether they were either forward and/or back in the field.

- 2nd row in mobiles scoring up directly behind front row – this change was made at the start of the season with a further change of leaving barrier one vacant on the 2nd row being introduced midway through the season.

- No delay in mobile starts for a gear failure unless safety is compromised – this policy was adopted at the start of the season to prevent the common occurrence of a start being delayed because a shortener pin or deafener plug released prematurely. It has proved to be successful and eased the pressure with the tight time constraints for coverage on Sky Racing.

- Appeal deposit increase – the HRSA Ltd Board recently reviewed the deposit fee payable when lodging an appeal against a decision of the Stewards. The total fee was increased to $500, with the non-refundable portion to be $150. This is in line with the fee charged by other Controlling Bodies and is the first increase for some years.

A total of 185 meetings were held during the season with this figure expected to increase to around 230 next season with the recent introduction of Tuesday night racing at Globe Derby Park.

STEWARDS

Mr Stephen Mulcay
Senior Steward/Starter:
Stewards:

Mr Rodney Foureur
Mr David Thuen
Mr Simon Ewen
Mr Anthony Burne
Mr Darryl Southgate
Mr Paul Fitzgerald
Mr Patrick Fricker
Mr Ray Skeyhill
Mr James Simpson
Mr John O'Grady (Swabbing/Starter)
Mr Dan Verberne
Mr Shane Mudge

I would like to express my appreciation to all of the above for their efforts during the season and I would also like to record that I believe the local industry is well served by this Panel given the level of experience which exists along with the genuine desire to treat everyone in a fair manner by ensuring that the Rules are applied consistently across the board.

To the local participants, I wish you all good luck for the 2011/12 season.

STEPHEN MULCAY
CHAIRMAN OF STEWARDS

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 2010 to 30 June 2011

	Carried over from 2009/2010	Appeals Lodged	Heard	Days	Hours
TRSA	0	3	3	3	7
HRSA	0	6	6	3	8
GRSA	1	5	5	4	11
TOTAL	**1**	**14**	**14**	**10**	**26**

The Results of Appeals July 2010 to June 2011	TRSA	HRSA	GRSA
Allowed in Full (Conviction quashed)	1	0	1
Allowed in Part (Penalty varied)	0	1	0
Withdrawn	0	2	0
Yet to be Heard/ Completed	0	0	1
Referred Back to Stewards	0	0	1
Dismissed	2	3	2
TOTAL	**3**	**6**	**5**

Charge	TRSA	HRSA	GRSA
Present a horse/dog to race when not free of Prohibited Substance	0	1	3
Causing Inference/ Careless Riding	1	4	0
Failing to take all Reasonable steps to allow horse to win	0	1	0
Incompetent Riding (Contrary to rules)	1	0	0
Prohibited substance in urine sample	1	0	0
Misconduct (Cruelty)	0	0	2 (one matter part heard from 2009/10)
TOTAL	**3**	**6**	**5**

Finance

During the course of the year, the harness racing code encountered several challenges in respect of growing wagering turnover and maintaining market share. While interstate harness wagering on the SA TAB was slightly up on last year, the local (SA) component declined, resulting in a reduction of average market share as at 30 June 2011 of 0.97%, to 13.35%.

Mr Oliver Bott
Finance Manager

Revenue to the codes from the SA TAB increased from last year, as a result of uplift in total turnover by around 5%. This was also complimented by the rate of the Government Tax Relief increasing to 4.8% of net wagering revenue (up from 3.9% the previous year). Net revenue from Race Field Fees also fell slightly, following the announcement that the Tasmanian Government introduced legislation to charge wagering fees on harness racing in that State, which was backdated to November 2010.

In order to arrest the decline in market share, the Board of HRSA, in June 2011, approved the introduction of Tuesday night Globe Derby Park meetings, effective from July 2011. The opportunity to race on the Sky One channel in this timeslot was viewed as one of many initiatives in growing SA turnover for next financial year. Also, with SA Government and club assistance, the installation of a digital video network (DVN) link has been ordered for completion at the Mount Gambier Harness Racing Club venue by November 2011. This will provide further Sky/TAB opportunities in the South Eastern area.

HRSA also commissioned the upgrade of the existing mobile barrier vehicle being used at Globe Derby Park, and the purchase of a new unit as back up for use at various harness racing venues in the State. The upgraded unit commenced operation in June, with the second mobile expected for delivery in September 2011.

Furthermore, a contract has been signed for the installation of a new finance IT system, bringing it into line with the same system being used by Harness Racing Victoria for integration with the HARVEY race management system. The new system will embrace latest technology and provide greater efficiencies in terms of processes and reporting, as well as communication with customers and participants.

In accordance with the November 2010 appointments of a joint Chief Executive Officer for both HRSA and the SA Harness Racing Club, and HRSA Finance Manager, work continues with the club in terms of improvement of their administrative and financial reporting processes. I am appreciative of the co-operation provided by Club Secretary, Ashley Kramer, and the SAHRC Committee for their assistance in achieving positive outcomes at this point in time.

On the national front, Harness Racing Australia again administered the national public liability and personal accident insurance program through its brokers, Jardine Lloyd Thompson (JLT), on behalf of the State jurisdictions participating in the scheme. At the time of writing, JLT was in the process of finalising an excellent level of cover for the forthcoming renewal period.

Finally, I wish to thank the Board of HRSA and Chief Executive Officer, John Lewis, for welcoming me to the organisation upon my commencement in January 2011. Also, thanks to Finance Department staff members Peter Hailes and Kathryn Nicolai for their dedication and efforts throughout the year.

OLIVER BOTT FIPA MBA CPMgr FAIM JP
FINANCE MANAGER

HARNESS RACING SA LIMITED ABN 68 094 559 930

DIRECTORS' REPORT

Principal Activities

The principal activities of the company during the financial year, in accordance with the company's constitution, were:

- to encourage, promote and conduct the sport of harness racing
- to provide industry control and direction for the harness racing industry
- to effectively market harness racing

Operating Result

The consolidated loss of the company for the financial year amounted to $9,443.

Review of Operations

A review of operations is contained in the reports by the Chairman & Chief Executive Officer within the Annual Report.

Financial Position

The net assets of the company as at 30 June 2011 are $854,879.

Corporate Governance

Refer to the Corporate Governance Statement as contained within the Annual Report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company during the year of report.

After Balance Date Events

The company has committed to the purchase of two (2) mobile start barrier vehicles and implementation of the Technology One finance system for the 2011/2012 financial year.

Future Developments

The company will continue to operate in the interests of the industry and its shareholders.

Dividends

As the company has been formed as a company limited by guarantee, for the benefit of the harness racing industry in South Australia, no dividend is payable to members.

Indemnities and Insurance Premiums for Directors & Officers

During the financial year, the company paid a premium in respect of a contract insuring the Directors of the company, the former Company Secretary, Mr David Aldred, the new Company Secretary, Mr John Lewis, 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.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor has performed no other services during the year.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in the Audit Report.

Signed in accordance with the resolution of the Board of Directors

Graham Taylor

CHAIRMAN

Michael Deare

DIRECTOR

Dated this 28th day of September 2011

Corporate Governance Statement

1 Introduction

The Board of Harness Racing SA is committed to best practice corporate governance. This Corporate Governance Statement has been produced by the Board as an acknowledgement of its responsibility towards the ongoing maintenance of best practice corporate governance. This Statement is intended to supplement other general documents on the duties and responsibilities of Directors being implemented by HRSA.

This Statement is subject to annual review. This version was adopted by the Board of Directors on 28 September 2011.

2 Board of Directors

2.1 Composition of the Board

The Constitution of HRSA provides for the appointment of six non-executive Directors. Four Directors are appointed on the basis of their qualifications and experience in the competency areas of marketing, law, accounting and commerce, and business management. In addition, one Director is nominated by each of the South Australian Harness Racing Club Incorporated (SAHRC) and the South Australian County Harness Racing Clubs Association Incorporated (SACHRC).

2.2 Board Responsibilities

The Board of Directors is responsible for monitoring the business and affairs of HRSA, setting of strategic direction, and overseeing the financial position, reporting systems and controls of HRSA. Directors observe conformity with their duties under Corporations law, HRSA's Constitution, and other relevant legislation.

2.3 Tenure

Board members are appointed for a term of up to three years. Retiring Directors are eligible to stand for re-appointment at the end of their term.

2.4 Director Independence

The Board has adopted the principle that all Directors are independent of Management and free of any business or other relationship with Clubs that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unencumbered and independent judgement.

3 Board Processes

3.1 Directors' Role

Directors have agreed the division of responsibility between Management and the Board, based on the belief that it is the role of the Board to direct and review and for Management to manage and deliver the organisation's objectives. They have also agreed the delegation of authorities to Management, as well as the goals of HRSA, Key Performance Indicators and the Financial Budget. Directors receive reports on a monthly basis of progress against the Financial Budget and Key Performance Indicators, as well as other management reports and regular control reports.

3.2 Directors' Commitment

Directors are required to understand the principles and standards of the harness racing industry generally and are expected to acquire the appropriate information and expertise to understand the general nature of the industry for which they are responsible.

All Directors must contribute to the establishment of clear strategic direction for HRSA and are expected to act consistently with these objectives and policies within that strategic direction once adopted.

Directors are required to exercise care and diligence in carrying out their duties, and to make judgements in good faith, and in what they believe to be in the best interests of HRSA and the harness racing industry in South Australia.

Directors are expected to serve on Board Committees. They are also expected to be willing to serve in areas where their expertise is of value in the decision making process.

Regular monthly reports are presented to Directors by Management. In addition to understanding and critically evaluating the contents of these reports, it is an obligation on Directors to enquire about any areas where they may have concerns and seek clarification until such concerns are satisfactorily resolved.

3.3 Board Meetings

The Board meets monthly or more regularly if required. Board papers are made available in advance of meetings and Directors are encouraged to seek additional information from the Chief Executive Officer, if further clarification is needed prior to the meeting. Notwithstanding, as a rule, the appropriate place for all discussions of Board matters to take place is in the scheduled

Board or Committee meetings. It is the obligation of the Chairman to ensure that Board meetings are conducted in such a way that all questions can be put and satisfactorily resolved and points of view can be discussed and documented.

4 Board Committees

The Board has established formal Committees to advise and guide the Board, and to assist in decision-making, oversight and control. Board Committee members are elected at the first Board meeting following the Annual General Meeting. Representatives of Management attend Committee meetings as required and Committees have written Terms of Reference. The minutes of all Board Committee meetings are tabled at the next Board meeting and any recommendations are considered therein.

The Board may establish further ad hoc committees as the need arises.

The Board Committees that currently exist are:

4.1 Governance Committee

The Governance Committee has the responsibility to ensure good corporate governance practices are adhered to and to monitor the respective roles of the Board and the Chief Executive Officer, including their performance in these roles. The Governance Committee will also develop and maintain succession planning, remuneration and recruitment strategies for Board and Chief Executive Officer functions.

4.2 Finance Committee

The Finance Committee has the responsibility of assisting the Board in fulfilling its responsibilities relating to the accounting, auditing, statutory, risk management and reporting practices of HRSA.

4.3 Programming Committee

A Programming Committee has been established however the Committee's Terms of Reference are in the final stages of documentation and ratification by the Board. The general responsibilities of the Programming Committee will be the development and monitoring of strategy in relation to the optimisation of race dates, allocation of race meetings and programming of races.

5 Risk Management

The Board monitors the operational and financial performance of HRSA through regular reporting against budget and key performance measures. Policies and controls are being developed to minimise operational, financial, health and safety, and other areas of risk, and to ensure compliance with regulatory and community standards. In addition, risks are identified and managed through the audit program and by Management, and monitored by the Finance Committee. Insurance coverage of key operational risks is a necessary element of risk management.

6 Business Conduct

6.1 Ethical Standards

The Board plays a key role in upholding the core values of HRSA and the harness racing industry and promoting high standards of corporate and business ethics, maintaining the highest standards of conduct in relation to all its dealings. These are reflected in the Board's Code of Conduct and its strict conformance to all relevant external regulations and legislation.

6.2 Conflicts of Interest

Part 2D of Corporations Law obliges Directors to disclose to the Board any actual or potential conflicts of interest. Further, in most instances, it restricts the voting rights of the affected Director in relation to matters in which there is an actual or potential conflict.

7 Communication

The Board aims to ensure Member Clubs and key stakeholders are kept informed of all developments impacting the affairs of HRSA and the harness racing industry and to provide appropriate information to assess the performance of the organisation and the industry. Information is provided in the Annual Report, regular newsletters, HRSA's website and specific letters as required when it is deemed information should be notified.

8 Corporate Social Responsibility

HRSA supports environmental initiatives in its daily activities with regard to waste management and energy conservation.

HARNESS RACING SA LIMITED ABN 68 094 559 930

DIRECTORS' DECLARATION

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;
- 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

This declaration is made in accordance with a resolution of the Board of Directors

Graham Taylor

CHAIRMAN

Michael Deare

DIRECTOR

Dated this 28th day of September 2011

Auditor's Declaration

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

ACCRU' HARRIS ORCHARD

BEN WILLINGTON
Partner

Adelaide, SA
Dated: 22/9/2011

Auditor's Declaration

Accru+
Harris Orchard

HARNESS RACING SA LTD
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

To the Directors of Harness Racing SA Ltd

Report on the Financial Report

We have audited the accompanying financial report of Harness Racing SA Ltd. This comprises the statement of financial position as at 30 June 2011, the statement of financial performance and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Harness Racing SA Ltd are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001*, and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Harness Racing SA Ltd on 22nd September 2011, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of Harness Racing SA Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

BEN WILLINGTON
Adelaide: 30th September, 2011

ACCRU+ HARRIS ORCHARD

STATEMENT OF FINANCIAL PERFORMANCE

For the financial year ended 30 June 2011

	Notes	2011 $	2010 $
Revenues from Ordinary Activities			
TAB Distribution		6 424 559	6 124 559
Other Income		2 268 393	2 210 764
Total Revenues from Ordinary Activities		**$ 692 951**	**$ 335 323**
Operating Expenses			
Racing Expenses		7 705 851	7 453 000
Administration Expenses		957 714	824 015
Borrowing Costs		10 213	10 795
Total Operating Expenses		**$ 673 578**	**$ 289 409**
Net Profit/(Loss) from Ordinary Activities	2	19 374	45 914
Less Non-Operating Expenses		28 817	14 759
Net Profit/(Loss) after Non-Operating Expenses		**(9 443)**	**31 155**

The accompanying notes form part of these financial statements

HARNESS RACING SA

STATEMENT OF FINANCIAL POSITION

As at financial year ended 30 June 2011

	Notes	2011 $	2010 $
Current Assets			
Cash		799 193	827 982
Receivables	5	467 038	451 948
Other	6	239 440	243 391
Total Current Assets		1 505 671	1 323 301
Non-current Assets			
Property, Plant & Equipment	7	88 592	116 525
Total Non-current Assets		88 592	116 525
Total Assets		1 594 263	1 439 826
Current Liabilities			
Payables & Revenue Received in Advance	8	651 975	480 732
Interest Bearing Liabilities	9	15 505	8 811
Provisions	10	71 904	72 859
Total Current Liabilities		739 384	560 002
Non-current Liabilities			
Interest Bearing Liabilities	11	0	15 505
Provisions	12	0	0
Total Non-current Liabilities		0	15 505
Total Liabilities		739 384	575 507
Net Assets		854 879	864 319
Equity			
Retain Profits/(Accumulated Losses)	14	854 879	864 319
Total Equity		854 879	864 319

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2011

	Notes	2011 $	2010 $
Cash Receipts from Operating Activities			
Receipts in the course of operations		8 646 104	9 496 412
Payments in the course of operations		(8 498 962)	(9 653 840)
Interest received		31 757	41 110
Interest paid			(2 682)
Net cash provided by/(used in) Operating Activities	21(b)	178 899	(119 000)
Cash Flows from Investing Activities			
Payment for Plant & Equipment		(11 304)	(60 507)
Proceeds from sale Plant & Equipment		3 636	4 091
Net cash provided by/(used in) Investing Activities		(7 668)	(56 416)
Cash Flows from Financing Activities			
Repayment of Borrowings		0	0
Net cash provided by/(used in) Financing Activities		0	0
Net increase/(decrease) in Cash held		171 231	(175 416)
Cash at beginning of financial year		627 962	803 378
Cash at end of financial year	21(a)	799 193	627 962

The accompanying notes form part of these financial statements

HARNESS RACING SA

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2011

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 2011, the Company has net current assets of $786,257
The loss for the year of report totals $9,443

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 & 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 & 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 when 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.

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 & 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 exempt from paying 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 incured 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.

2. PROFIT FROM ORDINARY ACTIVITIES

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

a) Revenue from Ordinary Activities	2011 $	2010 $
Rendering of Services		
TAB Distribution	6 424 559	6 124 559
Government Tax Relief	892 804	780 840
General	386 708	408 945
Race Field Fees (Net)	856 986	886 958
Southern Cross Series	94 638	98 519
Yearling Sale	3 500	8 792
	8 651 194	8 254 213
Interest Revenue		
Other Entities	31 757	41 110
Total Revenue from Ordinary Activities	8 682 951	8 335 323
b) Operating Expenditure		
Stakemonies	4 999 150	5 212 311
Racing Expenses	2 497 501	1 988 238
Southern Cross Series	239 000	273 450
Administration Expenses	922 110	782 490
Depreciation Expense	33 844	42 125
Borrowing Cost Expense	10 213	10 795
Loss on disposal of assets	1 760	0
Total Operating Expenses	8 673 578	8 289 409
Profit/(Loss) from Ordinary Activities	19 374	45 914
Less non-operating expenses	28 817	14 759
Net Profit/(Loss)	(9 443)	31 155

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.	82 500	92 497

The Directors of HRSA Ltd during the course of the year were:
Grant Goodall (Chairman)
Adrian Edgar
Graham Taylor
Michael Deare
Michael Giorgio
Des Stanbury

		2011 $	2010 $
4. REMUNERATION OF AUDITORS			
Auditing the Financial Report		8 000	7 100
5. CURRENT RECEIVABLES			
TAB Product Fee		441 031	397 379
Other Receivables		26 007	54 569
Total Current Receivables		467 038	451 948
6. OTHER CURRENT ASSETS			
Accrued Income		238 901	241 248
Prepayments		539	2 143
Total Other Current Assets		239 440	243 391
7. PROPERTY, PLANT & EQUIPMENT			
Gross Carrying Amount			
Opening Balance		491 018	470 583
Additions		11 306	60 507
Disposals		(75 045)	(40 052)
Closing Balance		427 279	491 018
Accumulated Depreciation			
Opening Balance		374 493	368 329
Disposals		(69 649)	(35 961)
Depreciation Expense		33 844	42 125
Closing Balance		338 688	374 493
Written down value of Property, Plant & Equipment		88 591	116 525
8. CURRENT PAYABLES AND REVENUE RECEIVED IN ADVANCE			
Trade Payables		272 377	282 388
Accrued Expenses		356 256	162 348
Revenue Received in Advance		23 342	56 000
Total Current Payables and Revenue Received in Advance		651 975	480 736
9. CURRENT INTEREST BEARING LIABILITIES			
Hire Purchase Liability		15 505	6 611
10. CURRENT PROVISIONS	Notes		
Employee Entitlements	13	71 904	72 659
11. NON-CURRENT INTEREST BEARING LIABILITIES			
Hire Purchase Liability		0	15 505
12. NON-CURRENT PROVISIONS			
Employee Entitlements		0	0
13. EMPLOYEE ENTITLEMENTS			
The aggregate employee entitlement liability recognised and included in the financial statements are as follows:			
Current		71 904	72 659
Non-current		0	0
		71 904	72 659
Number of employees at end of financial year		10	6

	2011 $	2010 $
14. RETAINED PROFITS		
Balance at beginning of financial year	854 322	833 164
Net Profit/(Loss)	(9 443)	31 158
Balance of Retained Profits	854 879	864 322

15. ECONOMIC DEPENDENCY

A significant volume of the Company's revenue is derived from Tabcorp 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. As at 30 June 2011, the number of members was eleven (11).

17. 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 in SA. This includes the regulation and control of the harness racing code, and conduct of harness racing meetings within SA.

18. CAPITAL COMMITMENTS

For the 2011 financial year, HRSA has capital commitments contracted in relation to the purchase of two (2) mobile barrier vehicles, and a new finance IT system. A reasonable estimate has been made on the expected costs.

Mobile barrier vehicles	245,000	0
Finance IT system	80,000	0

19. RELATED PARTY DISCLOSURES

Details of Directors' remuneration are disclosed in Note 3. Members of the Company or Board of Directors, or their relatives, may from time to time receive prizemoney for successful horses owned or trained by them. This prizemoney is paid by HRSA Ltd on the same terms and conditions as apply to any other owner or trainer.

20. FINANCIAL INSTRUMENTS

Interest Rate Risk

The following table details HRSA Ltd's exposure to interest risk as at the date of report, all other financial assets and liabilities are non-interest bearing.

Bank overdraft - variable	0	0

21. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of Cash		
Cash	826 854	827 962
Bank overdraft	(27 692)	0
	799 163	827 962
b) Reconciliation of Net Profit/(Loss) to net cash flows from operating activities -		
Net Profit/(Loss)	(9 443)	31 155
Depreciation	33 844	42 125
Loss/(Profit) on sale of Fixed Assets	1 760	0
(Increase)/Decrease in Receivables	(15 080)	(44 906)
(Increase)/Decrease in Other Current Assets	3 951	(42 225)
Increase/(Decrease) in Payables	171 244	58 097
Increase/(Decrease) in Provisions	(755)	(158 634)
Increase/(Decrease) in Interest Bearing Liabilities	(6 611)	(6 610)
	178 859	(119 098)
c) Financing Facilities		
Bank overdraft - amount used	27 692	0
Bank overdraft - amount unused	222 308	250 000

DATE	Prizemoney	RACE	Class	Track	
07-Jan-12	$12,500	Summer Carnival Cup	Open	Globe Derby Park	SUMMER CARNIVAL
07-Jan-12	$15,000	SA Oaks	3YO Fillies	Globe Derby Park	
07-Jan-12	$10,000	SA St Leger	3YO	Globe Derby Park	
14-Jan-12	$100,000	SA Cup	Open	Globe Derby Park	
14-Jan-12	$30,000	SA Pacers Derby	3YO	Globe Derby Park	
14-Jan-12	$25,000	SA Trotters Cup	Open Trot	Globe Derby Park	
14-Jan-12	$15,000	Kindergarten Stakes	2YO	Globe Derby Park	
14-Jan-12	$10,000	Dudley Justice Plate	Open	Globe Derby Park	
22-Jan-12	TBA	Mount Gambier, Cup Heats	C1-C6	Mount Gambier	
27-Jan-12	TBA	Mount Gambier Cup	Final C1-C6	Mount Gambier	
29-Jan-12	TBA	Whyalla Pacing Cup	Open	Whyalla	
11-Feb-12	$6,500	Dean Johnson Memorial Trot	Open Trot	Globe Derby Park	
24-Feb-12	$8,000	Kadina Pacing Cup	Open	YPHRC @ Port Pirie	
10-Mar-12	TBA	Gawler Cup	Open	Gawler @ Globe Derby	
10-Mar-12	TBA	Hambeltonian Trot	Open Trot	Gawler @ Globe Derby	
10-Mar-12	TBA	Gawler Derby	3YO	Gawler @ Globe Derby	
10-Mar-12	TBA	Virgara Classic	2YO	Gawler @ Globe Derby	
11-Mar-12	$8,000	Victor Harbor Cup	Open	Victor Harbor	
17-Mar-12	$7,000	SA Graduate Pace Heats	2YO	Globe Derby Park	
18-Mar-12	$5,000	Kapunda Cup	Open	Kapunda	
24-Mar-12	$20,000	SA Graduate Pace	2YO	Globe Derby Park	
24-Mar-12	$8,000	Country Graduation Final	C1-C2	Globe Derby Park	
10-Apr-12	$5,000	Strathalbyn Cup	Open	Strathalbyn	
21-Apr-12	$10,000	Port Pirie Cup	Open	Port Pirie	
12-May-12	$6,000	Norman Family Pace	Open	Globe Derby Park	
19-May-12	$8,000	Southern Cross Heats	2YO	Globe Derby Park	SOUTHERN CROSS 2YO
26-May-12	$8,000	Southern Cross Repechages	2YO	Globe Derby Park	
02-Jun-12	$54,000	Southern Cross Finals	2YO Fillies	Globe Derby Park	
02-Jun-12	$6,000	Southern Cross Consolations	2YO Fillies	Globe Derby Park	
02-Jun-12	$54,000	Southern Cross Finals	2YO C & G	Globe Derby Park	
02-Jun-12	$6,000	Southern Cross Consolations	2YO C & G	Globe Derby Park	
09-Jun-12	$8,000	Jack Roberts Mem. Gramel Series	Open Trot	Globe Derby Park	
09-Jun-12	$10,000	SA Trotters Oaks	3YO Trot Fillies	Globe Derby Park	
11-Jun-12	$8,000	Joe Coulter Trot. Gramel Series	Open Trot	Globe Derby Park	

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2011/12: The Season ahead

11-Jun-12	$6,000	Parker Classic	2YO Trot	Globe Derby Park	
16-Jun-12	$8,000	Frank Jones Mem Gramel Series	Open Trot	Globe Derby Park	
16-Jun-12	$15,000	SA Trotters Derby	3YO Trot	Globe Derby Park	
16-Jun-12	$6,000	SA Monte Trot (Ridden)	Open Trot	Globe Derby Park	
23-Jun-12	$6,000	G O Silke Plate	Junior Drivers	Globe Derby Park	
23-Jun-12	$8,000	Southern Cross Heats	3YO	Globe Derby Park	SOUTHERN CROSS 3YO
30-Jun-12	$8,000	Southern Cross Repechages	3YO	Globe Derby Park	
07-Jul-12	$54,000	Southern Cross Finals	3YO Fillies	Globe Derby Park	
07-Jul-12	$6,000	Southern Cross Consolations	3YO Fillies	Globe Derby Park	
07-Jul-12	$54,000	Southern Cross Finals	3YO C & G	Globe Derby Park	
07-Jul-12	$6,000	Southern Cross Consolations	3YO C & G	Globe Derby Park	
20-Jul-12	$10,000	2YO Trotters Classic	2YO Trot	Globe Derby Park	
21-Jul-12	$10,000	3YO Trotters Classic	3YO Trot	Globe Derby Park	
11-Aug-12	$8,000	SA BOTRA/Golden Nursery Heats	2YO Fillies	Globe Derby Park	
11-Aug-12	$8,000	SA BOTRA/Golden Nursery Heats	2YO C & G	Globe Derby Park	
18-Aug-12	$20,000	SA BOTRA/Golden Nursery Final	2YO Fillies	Globe Derby Park	
18-Aug-12	$20,000	SA BOTRA/Golden Nursery Final	2YO C & G	Globe Derby Park	

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