

GRSA Annual Report 2012





## About Greyhound Racing South Australia Ltd

*Greyhound Racing SA Limited (GRSA) is the controlling body which conducts, regulates and promotes greyhound racing throughout South Australia. It has a primary responsibility to ensure the responsible and ethical management of the sport, the enforcement of local and national rules of racing, and the effective conduct of racing.*



### Purpose

GRSA exists to ensure the sustainability of the greyhound racing industry in South Australia.

### 2011/12 Industry Snapshot:

1,956 registered participants including 114 breeders, 387 registered trainers,  
1,442 registered owners and 13 handlers

336 TAB meetings with coverage via Sky 1 (186), Sky 2 (150) and TAB Radio (336)  
8 Non-TAB meetings and 13 Coursing Events

Total of 9 Group races and 4 Country Cups  
3,537 races conducted in SA

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## Chairman's Report

*The 2011/2012 financial year was another year of challenges and opportunities for the greyhound racing industry.*

Whilst we could generally be said to be tracking positively by any reasonable measure, we still face the ongoing battle for viability in an increasingly competitive marketplace. The loss of the professional punter from the SA TAB was a considerable financial blow toward the back end of the financial year. The rise and rise of the corporate bookmaker on the back of the erosion of wagering on our code through poker machines and sports gambling generally are threats we need to face boldly for the sake of all industry participants and the industry itself.

These issues have, in part, been addressed by virtue of South Australia raising its betting operators' charge to the corporate bookmakers for the forthcoming financial year. However, in noting that many other jurisdictions are relatively awash with money and enjoy considerable government assistance, increasing the price of our product is obviously not welcomed and becomes difficult when other states can afford to charge less.

Nonetheless the Board is determined to work hard for the betterment of the industry as a whole. We are committed to maximise returns to participants whilst at the same time ensuring the ongoing viability of the industry. This is an ongoing 'balancing act' especially when you throw into the mix the pressing need for reinvestment in our tracks and facilities.

The year started with GRSA taking the opportunity to introduce racing on Friday afternoons on a weekly basis, in what was reported as a somewhat "difficult" timeslot. This did not prove to be the experience for GRSA with Friday racing exceeding budget estimates from the beginning. This obviously not only provided a further racing opportunity for participants but also contributes to our market share percentage.

The development and implementation of the breeders rebate scheme, designed to arrest the decline in breeding in this state, was also another positive introduction to the landscape of the greyhound industry in South Australia.

The Adelaide Cup was moved to October and the series shortened to a two week event, with the move being well received and enjoying great success.

The year saw our market share continue to grow and finish at 16.41%, a further increase on the prior year.

The current Board assembled represents a good mix of experience and expertise to help achieve the balance required and I would like to thank each of them for their ongoing support and commitment to their roles.

I would also like to acknowledge and thank Rosanne Healey for her time on the Board and most recently as Chairman. Roseanne brought a level of professionalism and expertise to the Boardroom that has been of significant benefit to the industry. Likewise the financial year saw the departure of two further directors in Mark Carey and John Katakasi. Both Mark and John showed great commitment and passion for their role both on the Board and in the context of the industry itself. Again, the industry owes them a debt of gratitude for their efforts in their roles and I also personally thank them for their professionalism and friendship in their dealings with myself at board level and in assisting me to build industry knowledge as a new director on the Board when I commenced.



I would also acknowledge the staff at GRSA who work tirelessly and often under trying conditions to keep our industry moving. The transition to the new Ozchase system has placed a burden upon many staff which has been shouldered admirably and without complaint.

The senior management team led by Matt Corby has again provided a stable platform for industry growth and the fresh and energetic approach they bring to their roles is something for which I am immensely grateful and one that is to be acknowledged and admired.

Finally, I'd like to thank all of our participants without whom we simply don't have an industry. The tireless commitment of so many of you, from the army of volunteers who make racing possible at our outer regional and rural racetracks to the owners, breeders and trainers who commit immeasurable amounts of time and resources to pursuing their passion, you are all essential and invaluable elements that make up the rich tapestry of this industry. It is for these participants that we as a Board feel ultimately committed to representing and advocating in all our dealings. We collectively thank you and encourage you to not only continue on but to be advocates for our industry to ensure there is regeneration, for where there is regeneration there is renewal and growth and this can only be positive for our industry.

Michael Fabbro  
GRSA Chairman





## Year in Brief





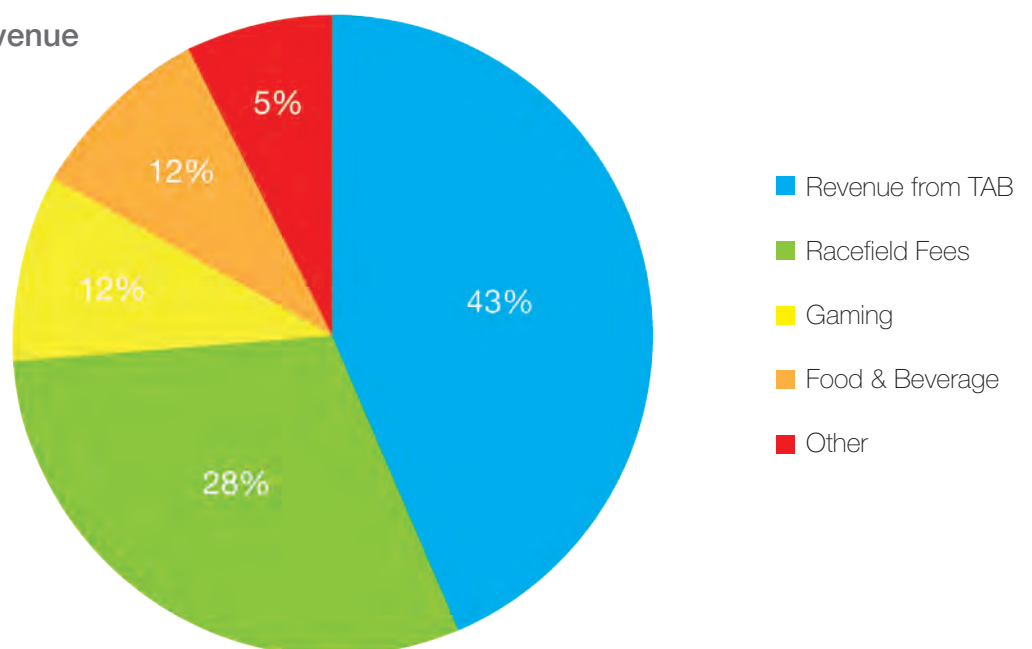
## Year in Brief

### Financial Snapshot

- Market share of 16.41% as at 30 June 2012
- Consolidation of second market share position behind thoroughbred racing in a challenging wagering environment

	2011 ('000)	2012 ('000)	Increase ('000)	Increase (%)
Net TAB Revenue	\$6,585	\$6,630	\$45	0.68%
Racefield Fee Revenue	\$3,649	\$4,357	\$708	19.40%
Stakemoney	\$4,810	\$5,538	\$728	15.14%
Local TAB Turnover	\$16,216	\$17,063	\$847	5.22%
National TAB Turnover	\$129,176	\$125,176	(\$4,000)	(3.1)%

### Sources of Industry Revenue



# Year in Brief

## Corporate

- Participant returns (stakemoney, bonuses and rebates) increased from \$4.81m to \$5.54m
- Launch of the Breeders' Rebate program supported by annual funding of \$150k
- Release of the 2012 Strategic Plan

## Racing

- Consolidation of tracks in support of longer-term industry sustainability
- Introduction of Friday racing out of Gawler
- Introduction of 388m racing at Angle Park
- Group 1 Adelaide Cup won by Mepunga Nicky for trainer Jeff Britton
- Kalden Mayhem named 2011 Greyhound of the Year for trainer Troy Murray

## Food and beverage

- Gross profit on combined food and beverage of \$1.0m (down 7.2%)
- Food and beverage (McQueens) total annual dining covers of 40,758 (down 2.62%)

## Gaming

- Contribution from Gaming for the year \$1.2m (down 3.0%) in a difficult environment
- Gaming turnover (per machine per day) \$1,539 (down 6.7%)

## Marketing

- Renewal of Adelaide Cup naming rights agreement with major sponsor Triple M
- Progressive roll-out of the 'Only at the Dogs' branding platform
- Continuing back-end development of the website specification in readiness for future integration with the NSW website [www.thedogs.com.au](http://www.thedogs.com.au)
- 236,643 website visits of which 42,632 were unique (first-time) users
- Introduction of the Thursday night Quaddie Club promotion

## Animal welfare

- Out of 28,216 runners there were 633 injuries equating to a rate of 2.24%
- 734 swabs were taken with 4 returning positive at a rate of 0.54%
- During the year 183 kennels were inspected which equates to an inspection rate of 47% of registered premises

## GAP – Greyhound Adoption Program

- 167 GAP greyhounds adopted out to new families (up from 121 in 2011/12)
- GAP display awarded first prize in its Exhibitor Category for the third year in row – Royal Adelaide Show
- Increase in the number of foster homes from 63 to 78



Total	Race Meeting Injuries	July 11 to June 12	
Track	Number of Runners	No of Injuries	Injuries as Percentage
Angle Park	12,960	308	2.38%
Gawler	9,957	230	2.31%
Strathalbyn	1,977	46	2.33%
Port Augusta	379	9	2.37%
Mount Gambier	2,195	34	1.55%
Virginia	748	6	0.80%
Totals	28,216	633	2.24%

GRSA is committed to the highest standards of greyhound welfare through the demonstration of a pervasive and progressive focus on animal welfare initiatives.





# Corporate Governance

*GRSA and the Board are committed to achieving and demonstrating the highest standards of corporate governance. To achieve this GRSA has policies and procedures designed to promote high standards of governance and performance which are reviewed as required, reflecting changes in governance standards and practice.*

The Directors are responsible for the performance of the company in both the short term and the longer term and seek to balance what are often competing objectives in the interests of the company and its stakeholders as a whole.

Day to day management of the company's affairs and the implementation of the company's strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and management team, as set out in the company's delegations of authority policy.

A description of the company's main corporate governance practices is set out below.

## Board Composition

In accordance with the GRSA constitution, the Board comprises four independent Directors and one Industry Director. Details of members of the Board, their experience, expertise, qualifications, terms details and independence status are set out in the Director's report under the heading 'Information on Directors'.

## Board Responsibilities

The responsibilities of the Board include:-

- Establishing the company's vision, mission and values
- Providing strategic guidance to the company including the development and approval of GRSA's company strategy.
- Reviewing and approving business plans, the annual budget and financial plans including available resources and capital expenditure initiatives.
- Overseeing and monitoring:
  - Organisational performance and the achievement of strategic goals and objectives
  - Compliance with the Code of Conduct
  - Progress of major capital expenditures and other significant projects
- Monitoring financial performance and liaison with the company's auditors
- Appointment and performance assessment of the Chief Executive Officer
- Ensuring there are effective management processes in place and approving major company initiatives
- Demonstrating corporate leadership
- Enhancing and protecting the reputation of the company
- Overseeing the operation of the company's compliance and risk management framework
- Ensuring effective communication to members of company, staff and key stakeholders



# Corporate Governance

## **Conflicts of Interest**

The Directors comply with all their obligations either at law or under the Corporations Act in relation to potential or actual conflicts of interest. The Directors have a Board Conflict of Interest Policy which outlines the obligations and processes the Directors will adopt. At a procedural level, the Directors utilise an annual standing notice as well as adhering to a standing agenda item in Directors meetings for the management of conflicts of interest.

## **Board Charter**

The Directors adhere to a Board Charter which is designed to ensure that it reflects the highest standards of behaviour and practices necessary to maintain the integrity of the company.

## **Members of Company Communication**

All members of company receive an annual report. In addition, there are quarterly updates on the company's performance and other material issues as prepared for and presented at the Members of Company Information Meetings.







## CEO's Report

*GRSA released its five year strategic plan in the final weeks of 2011/12. The strategic directions outlined in that plan are the product of an extensive consultation process between the GRSA Board, Management and industry stakeholders. They constitute the overarching principles that will serve to revitalise the South Australian greyhound industry and unify the industry towards a vital common goal - a sustainable future. To the extent that 2011/12 was a time for planning, the years immediately ahead will be a time for action.*

In broad terms, GRSA's strategic landscape comprises of an internal and an external environment – the former is defined by matters that are essentially driven by, or within the control of, GRSA. By logical extension, the latter is defined by factors that are largely outside the control of GRSA, and with regard to which the industry is essentially responsive. The quality of that responsiveness is underpinned by the company's readiness to exploit strategic opportunities and its management of environmental risks.

### GRSA Strategic Plan - The Internal Environment:

#### 1. Tracks and facilities

The Board acknowledges the need for regional facilities to reflect a standard that is commensurate with the offering of a modern professional sporting body. Poor facilities can undermine participation to a greater extent than they support it, and can ultimately expose the industry to significant ongoing risk (including OHS&W issues), disproportionate maintenance expense, reputational issues and animal welfare issues.

The Strategic Plan identifies a five year schedule of industry investment which will enable ongoing stakeholder money increases whilst simultaneously addressing kennelhouse and patron facility issues at Gawler and working towards the construction of a one-turn track in the southern region. Whilst the latter objective remains subject to the industry's continued demonstration of strong financial performance, current projections indicate that this is a feasible proposition. GRSA is currently investigating potential southern sites and seeking submissions from relevant parties.

A five year infrastructure schedule has been developed in support of the plan which projects expenditure on tracks and facilities at more than \$2 million annually for the five years leading up to 2016/17.

#### 2. Participation

To put 'participation' in its simplest strategic perspective is to consider those matters which serve to facilitate everyday involvement in the sport. The plan addresses a number of participant-related issues including their proximity to training and racing facilities, the need for frequent 'local' racing opportunities, equality of stakeholder money levels, support of local breeding and, of course, the extent to which overall industry returns support viable engagement. Separately, the Board remains conscious of the role that it needs to play as a 'facilitator' of fundamental industry services such as veterinary care and greyhound rearing facilities.

In support of informed decision-making, the Board has an expectation that industry engagement will be undertaken in an open, transparent and empathetic manner. Considerable effort is currently being directed towards the composition and process of industry committees to ensure that the Board and management of GRSA can be productively responsive to the needs of its most important stakeholder – the participant.





### 3. Industry returns

The Board is committed to ensuring that the momentum of recent years is maintained going forward despite the pressing need for investment in infrastructure. Total industry returns – stakes, rebates and bonuses – have doubled across the five years to 2011/12, up from \$2.77 million to \$5.5 million. The plan identifies a target level for industry returns of \$7 million by 2016/17.

The introduction of the Breeders Rebate in October 2010 has begun to arrest the trend of declining breeding activity in recent years and restore a sense of optimism within that sector of the industry. This initiative, combined with future increases to the SA Bred scheme, reflects an endeavour to nurture local activity in a manner which promotes longer-term industry self-reliance.

On the expectation that the weekly schedule of meetings has largely stabilised, future increases in industry returns will more directly impact the growth of stakemoney per race rather than supporting the introduction of additional racing opportunities.

### 4. Animal welfare

The welfare of racing greyhounds remains the industry's most fundamental obligation. It must drive the way participants engage in the sport and the manner in which GRSA formulates policy. Greyhound Racing SA complies with all requirements identified under Greyhound Australasia's animal welfare matrix and enjoys a reputation at a national level for being a leader in this area.

The Strategic Plan identifies 'responsible breeding and ownership' as an industry priority. The Board aspires to continuously improve greyhound tracking, improve the education of participants and identify additional racing opportunities for lower grade and veteran greyhounds as a means of promoting positive outcomes.

In addition to plans for continuous annual increases in GAP funding, the Board and Management of GRSA are committed to developing existing partnerships and identifying new opportunities for collaboration under this objective. The GAP program currently benefits tangibly from its association with TAFE SA, and GRSA is continuing to develop opportunities for collaboration with the University of Adelaide (Roseworthy campus), the Department of Corrections and the RSPCA. The latter organisation holds a seat on the Hock Injury Analysis Committee and has indicated its ongoing willingness to work more closely with GRSA.



Matt Corby  
Chief Executive Officer

# CEO's Report

## 5. Financial sustainability

The Strategic Plan identifies the need for the Board to drive a commercially accountable culture and to protect the industry to the greatest extent possible from risk. It has identified a number of key areas for Management to target in pursuit of that goal including:

- Continuous refinement of the weekly Sky scheduling strategy to maximise wagering whilst promoting sustainable participation through strong regional Clubs
- Ongoing review of the model for charging Race Field fees to ensure that SA participants are able to yield a financial return that is commensurate with the considerable effort and expenses that are associated with breeding and training activity
- Aggressive development of the promotional platforms and operational processes supporting the gaming and hospitality arms of the business
- Comprehensive benchmarking of internal and external factors that impact with significance upon the SA financial model
- Thorough identification and consideration of the risk environment in which GRSA operates, with a particular focus on factors that may impact business continuity
- The strategic value of ownership in terms of GRSA having genuine control over its racing facilities

## 6. Awareness and perception

The relative success of greyhound racing as a code is largely tied to community awareness and perception. On that basis, GRSA will need to focus on developing high impact marketing strategies which promote the positive aspects of the industry to a mainstream audience and leverage the code's second market share position behind thoroughbreds.

The Marketing Department will play a key role in GRSA's success with regard to raising the sport's profile. Key initiatives in this area will revolve around the future success of syndication, the extent of positive media coverage, and the development of GRSA's digital media and website strategies.

Separately, it is important for the sport to be seen as relevant and valuable in the mindset of the communities in which it participates. Particularly at a Club level, it will become increasingly important for the industry to identify opportunities to connect with key community stakeholders.

## 7. Integrity

There is a rising expectation within the national industry of the delivery of the three codes in matters of integrity. Recent issues in NSW and Victoria have only served to reinforce the dangers of failing to establish the appropriate controls in this area.

The Board is committed to ensuring that integrity is a fundamental consideration in relation to the development of policy and the general management of all relevant racing, stewarding and wagering processes.





## 8. Governance

The gradual consolidation of South Australian tracks over time has placed an inherent pressure on the Board to periodically review the company structure for currency so as to ensure that the needs of participants continue to be appropriately represented. The Strategic Plan also considers such matters as the creation of a volunteer strategy and the potential benefits of independent representation on regional Club Committees.

Sound governance is a key component of strong and successful Clubs. In terms of reporting and general compliance, the expectation of SA Clubs in the years ahead will only continue to increase. GRSA will work with Clubs to ensure that they are appropriately informed in support of their management of racing operations and general decision-making processes.

The GRSA Constitution will be reviewed with the Members of Company during the 2012/13 year having last been amended in March 2009.

## GRSA Strategic Plan – The External Environment

### 1. Government and legislation

The corporatisation of the three controlling bodies in 2000, and the subsequent sale of the SA TAB in 2001, has inevitably altered our business environment and the relationship that we enjoy with Government. The scale of funding that the SA codes are able to attract locally reflect the expectation at a Government level that the codes, for the most part, operate with absolute independence.

A condition of the sale of SA TAB that was introduced by the then Government and agreed to by the racing industry was the provision for 'clawback'. That arrangement allegedly represented an amount by which the Government recovered some of the up-front benefits provided to the racing industry. The full impact of the clawback agreement amounts to a \$34 million pay-back over 13 years commencing in 2004/5. GRSA is required to forego commissions of approximately \$0.5 million annually in support of same.

On the basis of their relative separation from Government, the three SA codes receive the least state funding of all the jurisdictions. More recently, the codes have been advised that the Office for Racing will cease to exist in its own right, but rather will be taken up in the broader portfolio of the Office for Recreation and Sport. In the context of the general challenge that the industry is facing to modernise facilities and support participation, there is a growing need for the SA codes to collaboratively develop the case to Government which elucidates the contribution that racing in this state makes to the local economy.

The proposed redevelopment of the Gawler facilities, incorporating the full complement of community stakeholders, will only be feasible if the plan succeeds in attracting Federal Government funding under the Regional Development Australia grants program when it is submitted during 2012/13.

A separate matter that comes under the jurisdiction of the Federal Government is the regulation of the gaming industry. There is constant pressure within the political environment to tighten gaming restrictions, including the mooted introduction of pre-commitment technology, which compromises decision-making relating to that area of the business. Notwithstanding, the Board has resolved its intention to invest in the strategic upgrade of the McQueens Tavern gaming room during 2012/13.

# CEO's Report

## 2. Competitive environment

The greyhound code was the strongest SA performer in 2011/12, and the only one to increase its market share. Based on the trend of the latter months of 2012/13, and underlying longer-term organic growth, the market share for greyhounds is anticipated to climb further in the coming 12 months, albeit within the context of a reduced wagering pool. The lack of a regular fixed-odds offering on the greyhound and harness codes increasingly limits their respective market share opportunities.

The codes compete against a vast range of increasingly sophisticated entertainment options in pursuit of the wagering dollar including casinos, restaurants and cinemas. Whilst technology has brought our product closer to wagering patrons, increasingly easy access to coverage via electronic media combined with growing time poverty has driven the shift the focus of punters from on-course to off-course engagement.

The Sky racing schedule is arguably the most competitive environment within the national racing framework which sees the various jurisdictions, and the respective codes within those jurisdictions, competing for broadcasting opportunities. The introduction of Friday racing from the start of 2011/12 was a key contributor to GRSA's success during the year.

## 3. Corporate stakeholders

GRSA continues to develop the relationships it enjoys with its corporate partners including Sky Racing, Tattsbet and the SA TAB to ensure that the South Australian product is properly supported within the national wagering market.

Sky Racing has continued to support GRSA's racing schedule and to identify opportunities for elevated coverage of our racing on an ongoing basis. Tattsbet has just recently expanded its wagering footprint with the acquisition of Tote Tasmania earlier this year.

Media coverage remains difficult to secure. One of challenges before the codes is to identify opportunities to present the stories and 'angles' behind the racing – the mainstream print media has a limited appetite for direct general coverage of either of the minor codes.

## 4. Community stakeholders

The Parks Precinct, adjacent to Angle Park, is the subject of plans for imminent development by State Government (in conjunction with the Port Adelaide Enfield Council). That project raises potential opportunities for the development of the vacant land that adjoins the western boundary of Angle Park.

Over the coming 12 to 18 months, GRSA will closely engage with key Council stakeholders from Gawler, and whichever of Strathalbyn or Murray Bridge may be identified as the future site of SA's first one-turn track. The Gawler Council has been enthusiastic in its support of the proposed development of the Showgrounds site, as has Murray Bridge Council in relation to GRSA's review of opportunities in that region.

Aside from the marketing opportunities that GRSA's sponsorship of the SAAFL generates in terms of racenight attendance, the strategy is also fundamentally premised upon a desire to directly support active community sport.

## 5. Economic environment

The ongoing 'softness' within the national economy does little to assist wagering growth, however it does provide a moment of opportunity for GRSA to commit confidently to planned investment in infrastructure.





To whatever extent they linger, the current economic conditions will ensure competitive tendering, access to quality tradespeople and low rates on borrowings.

Notwithstanding, such conditions do little to support the level of wagering that is conducted on SA racing or the patronage of the gaming and restaurant facilities that support the on-course offering. Putting to one side the impact of the recent loss of the professional punting syndicate, national wagering has now remained relatively stagnant for a number of consecutive years.

## 6. Technology

The rate of technological change is arguably the single defining element of the modern era. The next generation of participants, in particular, displays completely different behavioural tendencies than those of its predecessors. There is a clear appetite for general convenience and the need for wagering functionality on mobile devices amongst the younger segment of the market. The shift towards electronic media, and away from traditional retail distribution networks, is both significant and irrepressible.

The introduction of the National Broadband Network is anticipated to reduce the cost of sending digital coverage to Sky for national broadcasting that used to require the costly installation of a Digital Video Network (DVN) link.

Technology will provide the greatest opportunity, going forward, for GRSA to realise meaningful operational efficiencies and improvement in the quality of its operational outcomes.

## 7. National industry

On the back of significant Government support, the Victorian industry goes from strength to strength in terms of both stakeholder levels and facility investment. South Australia increasingly needs to leverage the opportunity of its proximity to Victoria and should aspire to becoming the third ranked state within the national framework. In pursuit of that goal, SA must continuously improve its position on key benchmarking criteria against Western Australia, Tasmania and Queensland.

The national greyhound industry is in the midst of a transition to a new IT environment. Victoria is developing its own system, while the remaining states are in the process of making a transition to the OzChase system developed in joint partnership between RWWA and GRNSW. Given that OzChase is an entirely new operational platform, it was inevitable that there would be teething issues and some loss of functionality in the first instance, some of which can only be addressed once the system is operational. Notwithstanding, the system continues to improve over time and will, ultimately, deliver a service that exceeds any of the systems it has replaced.

GRSA continues to play a principal role on the Boards of Greyhounds Australasia (GA) and the Australian Greyhound Racing Association (AGRA). Notably, former leading SA administrator Howard Ashton assumed the role of the Executive Officer for AGRA in August 2011.

## 8. National environment

An environmental 'conscience' is a mandatory component of any modern investment in infrastructure. The Strategic Plan provides for the development of water plans for all Clubs and flags the need for new building designs to incorporate environmental considerations.



Matt Corby  
GRSA CEO

# CEO's Report

## Senior Management Team



Matt Adams  
Finance Manager



Shaun Mathieson  
Racing Manager



Paul Marks  
Integrity & Standards Manager



Leigh Rogers  
Hospitality Manager



Sam Jeffries  
Marketing Manager



Scott Wuchatsch  
Strategic Projects Manager







# Events

*South Australia conducted a total of nine Group Races run at Angle Park and Gawler during the year. A summary of the Group and major races follows:*

## Group One

Triple M Adelaide Cup	Mepunga Nicky (Jeff Britton)
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## Group Three

Coffex Coffee Oaks	Mepunga Nicky (Jeff Britton)
Coca Cola Derby	Yowyeh (Angela Langton)
Gawler Gold Cup	Kalden Mayhem (Troy Murray)
Brian Johnstone Memorial	Basilika (Bozidar Stamenkovic)
SA Sprint Championship	Joken Kihael (Petar Jovanovic)
West End Distance Championship	Cousin Callum (Ray Webster)
West End Anniversary Cup	Allen Hertz (Graeme Bate)
SA Breeders Plate	My Little Star (Bozidar Stamenkovic)

Other major races during the year included:	
Gawler Produce Stake	Hannah McLaren (Don Foster)
Champion Puppy	Pure Instinct (Troy Iwanyk)
SA St Leger	Brahma Boy (John Mundy)

## Country Cups

Macro Meats Strathalbyn Cup	Kalden Mayhem (Troy Murray)
Trackside Meats Mount Gambier Cup	Rich Shiraz (Kevin Mugavin Jnr)
Port Augusta City Council Cup	Sneaky Spirit (Don Turner)
My Ani Mal Pet Food & Accessories Waterloo Cup	Just Chases (Don Turner)

## Track Records

<b>Angle Park</b>	
388m: Flash Of Passion (Artemio Ieraci)	– 22.04 09/05/2012
<b>Strathalbyn</b>	
536m: Right Time (Cameron Butcher)	– 30.85 15/01/2012
<b>Mount Gambier</b>	
400m: Spin A Yarn (John Burow)	– 23.16 06/05/2012





## 2011 Award Winners

The 2011 Greyhound of the Year Dinner was held in March due to the relocation of the Adelaide Cup to its new October timeslot. The award winners presented on the night were:

SA Greyhound of the Year:	Kalden Mayhem
SA Bred Greyhound of the Year:	Goosebumps
SA Distance Greyhound of the Year:	Kalden Mayhem
SA Sprinting Greyhound of the Year:	Dark Duo
Gawler Trackstar:	Token Class
SA Stud Dog of the Year:	Scull Murphy
SA Broodbitch of the Year:	Blue Palace
SA Breeder of the Year:	Judi Hurley
SA TAB Trainer of the Year:	Shaun Matcott
SA Country Trainer of the Year:	Don Turner
SA TAB Owner/Trainer of the Year:	Darrell Hearnden
City Strike Rate Winner:	Peter Luxton
SA Syndicate of the Year:	The Big Magic Syndicate, Mgr – Shane Brame
Young Achievers Award:	Elly Matcott
Volunteer of the Year:	Jayne Jarman
Award of Participation:	John Oehme

The major Coursing Awards were presented in November and were won by:

Coursing Greyhound of the Year:	Cease To Panic
SA Coursing Trainer of the Year:	Shaun Matcott

# Directors' Report

*Your directors present their report on the company for the financial year ended 30 June 2012.*

## Directors

The names of each person who has been a director during the year and to the date of this report are:

Michael Allan Fabbro  
Benjamin Luke Thomas Miels  
Paul James Preiss (from November 2011)  
Chris Leo Doyle (from November 2011)  
Mark Joseph Carey (until September 30, 2011)  
John Katakasi (until September 30, 2011)  
Roseanne Celeste Healy (until June 30, 2012)

Michael Fabbro was appointed to the position of Chairman GRSA as at March 3, 2012. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## 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 greyhound racing
- to provide industry control and direction for the greyhound industry
- to effectively market greyhound racing

## Operating Result

The consolidated profit of the company for the financial year amounted to \$175,179.

## Review of Operations

The end-of-year market share for the greyhound code was 16.408%, an increase of 0.453% on the previous year's result of 15.955%. Across the other codes, thoroughbred market share fell by 0.426 percentage points to 70.266% and harness fell 0.027 percentage points to 13.326%.

Industry returns to participants have doubled over five years, up from \$2.77 million in 2006/7 to \$5.5 million in 2011/12. Despite imminent plans for investment in infrastructure, the Board has identified its ongoing commitment to growing industry returns on an annual basis.

Industry commissions from SA TAB wagering amounted to \$8.360 million for the greyhound code. Despite the impact from the recent loss to the industry of the nation's largest betting syndicate, it is anticipated that SA TAB's improved wagering yield and the further projected growth of greyhound market will more than offset that event in the coming year.





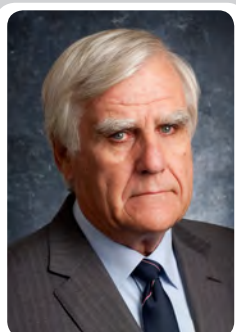
### Current Directors



Michael Fabbro



Benjamin Miels



Chris Doyle



Paul Preiss

### Previous Directors



Roseanne Healy



Mark Carey



John Katakasi

# Directors' Report

Race field revenue, derived from interstate betting on SA greyhound racing, constitutes the other primary revenue stream for GRSA. Income from this source increased \$0.708 million to \$4.357 million, equating to year-on-year growth of 19.4%. During the same period, race field fees payable to other states, based on local (SA TAB) wagering activity on interstate racing, decreased by \$144,000 to \$1.730 million, a decrease of 8%. During 2012/13, our model for determining race field charges will require corporate bookmakers and interstate parimutuel operators to pay a fee equivalent to 13% of gross wagering revenue – up from the current rate of 10%.

Whilst gaming continues to be impacted by the disruptions of the South Road Superway project, and economic conditions have remained relatively soft, strong management of wages has contributed to the McQueens Tavern returning a profit of \$206,001, a surplus of \$134,180 to budget. Bookings for Chasers restaurant rebounded after declining in the previous year, as did function sales in response to the appointment of a dedicated Sales Officer.

## Financial Position

The net assets of the company have increased to \$8,184,054 in 2012.

## Dividends

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

## After Balance Date Events

No significant events have occurred after 30 June 2012.

## Future Developments

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

## Indemnities and Insurance Premiums for Officers

The company has paid insurance premiums to insure the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

## Corporate Governance

GRSA and the Board are committed to achieving and demonstrating the highest standards of corporate governance. To achieve this GRSA has policies and procedures designed to promote high standards of governance and performance which are reviewed as required, reflecting changes in governance standards and practice.

## Environmental & Animal Welfare Issues

Greyhound Racing SA is an environmentally conscious organisation that takes concerted measures to save water and other natural resources throughout its operations, ensuring that it meets all regulatory requirements. The welfare of our racing greyhounds will remain a fundamental consideration in the development of all company strategies and policy.





## 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.

## Information on Directors

### Michael Allan Fabbro

LLB(Hons), BCom (Acct), GDLP, FTIA, IPAA

Chairman and Non-Executive Director (experience as a legal practitioner).

Michael joined the Board of GRSA in November 2009 as a Non-Executive Director. He is a practising solicitor and principal of his own Firm, Ezra Legal. Also holding a Bachelor of Commerce majoring in accounting, Michael is a Fellow of the Tax Institute of Australia and a member of the Leaders Institute of South Australia and Insolvency Practitioners Association of Australia. A member of the Board of the Aged Rights Advocacy Service, Michael has also had hospitality industry business experience.

Michael was appointed to the role of Chairman on March 3, 2012. Special responsibilities include Chairman of the Remuneration Committee and member of the Audit committee.

### Benjamin Miels

B.Bus (Acct), FCA, LLB, FTIA, GAICD

Non-Executive Director (experience in finance).

Joined in April 2011 as a Non-Executive Director, Ben is Managing Partner of Chartered Accounting firm, Edwards Marshall where he advises many medium to large businesses and professional clients in the provision of taxation, accounting and business services. He also acts as a director/board adviser to a number of significant clients of the firm and other public and private companies. Ben has experience in a wide range of industries including indigenous communities, manufacturing, mining, agriculture, law and wholesale and retail trade. Ben is also a past Chairman of the Institute of Chartered Accountants in Australia SA/NT Division and is currently a Director of the Institute of Chartered Accountants in Australia.

Special responsibilities include Chairman of the Audit committee and a member of the Remuneration Committee.

### Paul Preiss

B.Bus (Marketing), MAICD, FAIM, CPMgr, FAMI, CPM

Non-Executive Director (experience in Marketing).

Joined the Board in November 2011 as a Non-Executive Director, Paul has a strong background in Business and Marketing Strategy as well as Human Resources. Paul began his marketing career in manufacturing and international trade and went on to take up senior marketing roles with National Pharmacies, the Royal Automobile Association of S.A and the University of Adelaide. He is a director and partner in Adelaide-based strategic management and marketing consultancy Makrid Preiss & Associates. His role includes working directly with, and advising the Chief Executive Officers, business owners and senior executives on business and marketing strategies, cultural programs and the recruitment of senior executives. Paul is currently on the Media Advisory Board of the University of Adelaide.

# Directors' Report

## **Dr Chris Doyle**

BVSc

Non-Executive Director (experience in greyhound racing industry as elected by licensed persons).

Joined in November 2011 as the South Australian greyhound racing industry's representative, Chris brings with him a wealth of experience including nearly 40 years working closely with the greyhound racing industry's trainers and owners. He currently presides as a veterinarian over numerous SA race meetings and also serves as President and Chairman of the Australian Greyhound Veterinary Association. Chris also provides private veterinary services out of the clinic at Angle Park.

## **Mark Joseph Carey**

University of South Australia (Associate Diploma – Business Marketing) Member of MAICD

Non-Executive Director (qualifications and/or experience in marketing) up until September 30, 2011.

Joined in December 2008 as a Non-Executive Director, Mark has vast experience within the racing industry having held positions as CEO/Company Secretary of Harness Racing SA and Racing SA Ltd – positions he held for 8 years until September 2007. Prior to that, Mark worked for the South Australian TAB (13 years) and was Group Manager - Marketing for the two years prior to joining HRSA.

Special responsibilities included Chairman of the Marketing committee.

## **John Katakasi**

BVSc (Hons), CVA (IVAS)

Non-Executive Director (experience in greyhound racing industry as elected by licensed persons) up until September 30, 2011.

Joined in December 2008 as a Non-Executive Director. Dr. Katakasi is the proprietor of the Adelaide Plains Veterinary Surgery (since 2001), located at Two Wells and has had vast involvement with, and advice on the treatment and management of a large number of greyhounds Australia-wide. As a veterinarian, Dr Katakasi has considerable expertise working with greyhounds, having been introduced to them while still studying at University. Dr Katakasi holds responsibility for the training of persons involved in the Greyhounds Australasia frozen semen program. Dr Katakasi has bred and raced greyhounds for many years and has a broad knowledge of racing from that involvement with the industry.

## **Roseanne Celeste Healy**

BA (Eco), MBA and MBR (Adelaide University), MAICD

Chairman and Non-Executive Director (experience in carrying on a business) up until 30 June 2012.

Initially appointed in 2003, Ms Healy is an experienced company director and advisor to a wide range of listed and unlisted companies in the areas of governance, strategy, resource economics, corporate social responsibility and economic research. Ms Healy is currently Chairman of the Riverland Wine Industry Development Council, Riverland Winegrape Growers Association, Special Olympics Australia (SA) and Royal College of Pathologists of Australasia's Lay Advisory Committee. Ms Healy is currently a director of ASX listed Cheviot Kirribilly Vineyard Property Group, CKPRE Limited, the Rural Industries Research and Development Corporation, GP Partners and Country South SA Medicare Local. Previously, Ms Healy has held senior executive and Chief Executive roles.

Special responsibilities included Chairman of the Remuneration committee and member of the Audit committee.





## Meetings of Directors

The number of Directors meetings held during the year was 12. The Audit and Remuneration committees each met once during the same period.

### Attendance Details:

#### Board Meetings

Michael Fabbro	eligible 12	attended 12
Ben Miels	eligible 12	attended 11
Paul Preiss	eligible 6	attended 6
Chris Doyle	eligible 6	attended 6
Roseanne Healy	eligible 12	attended 12
Mark Carey	eligible 4	attended 4
John Katakasi	eligible 4	attended 3

#### Audit

Roseanne Healy	eligible 1	attended 1
Ben Miels	eligible 1	attended 1

#### Remuneration

Roseanne Healy	eligible 1	attended 1
Michael Fabbro	eligible 1	attended 1

## Company Secretary

### Matthew Corby

BA, B.Bus (Mktng), Graduate Diploma Sports Management


Mr Corby was appointed to the Chief Executive Officer role on November 1, 2010.

## 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

  
.....  
Michael Allan Fabbro, Chairman  
Dated this 31st day of October 2012











# Financial Report

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

GREYHOUND RACING SA LIMITED ABN 39 094 569 525

Classification of expenses by function	Note	2012 \$000's	2011 \$000's
Racing product income	2	11,011	10,288
Other revenues from ordinary activities	3(a)	687	765
SA Government Grants	3(b)	100	0
Food, Beverage and Gaming Revenue		3,736	4,000
Prizemoney & rebate distribution expenses	4	(5,538)	(4,810)
Food, Beverage and Gaming Expenditure		3,501	(3,867)
Racing & probity expenses		(3,885)	(3,707)
Administration expenses		(2,028)	(1,712)
Marketing expenses	5(1)	(372)	(782)
Finance & borrowing expenses	5(2)	(32)	(35)
Profit from ordinary activities	5	178	140
<b>Other Comprehensive Income</b>			
Net gain/(loss) on revaluation of financial assets		(3)	19
<b>Other Comprehensive Income for the year</b>		<b>(3)</b>	<b>19</b>
<b>Total Comprehensive Income for the year</b>		<b>175</b>	<b>159</b>



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

GREYHOUND RACING SA LIMITED ABN 39 094 569 525

	Note	2012 \$000's	2011 \$000's
<b>Current assets</b>			
Cash & cash equivalents	6	1,614	1,582
Receivables	7	1,092	1,007
Inventories	8	67	62
Investments	9	222	283
Other current assets	10	100	77
<b>Total current assets</b>		<b>3,095</b>	<b>3,011</b>
<b>Non-current assets</b>			
Receivables	7	45	55
Property, plant and equipment	11	7,014	7,297
<b>Total non-current assets</b>		<b>7,059</b>	<b>7,352</b>
<b>Total assets</b>		<b>10,154</b>	<b>10,363</b>
<b>Current liabilities</b>			
Payables	12	1,085	933
Borrowings	13	140	257
Provisions	14	596	839
Other current liabilities	15	9	10
<b>Total current liabilities</b>		<b>1,830</b>	<b>2,039</b>
<b>Non-current liabilities</b>			
Borrowings	13	0	140
Provisions	14	20	45
Other non-current liabilities	15	120	130
<b>Total non-current liabilities</b>		<b>140</b>	<b>315</b>
<b>Total liabilities</b>		<b>1,970</b>	<b>2,354</b>
<b>Net assets</b>		<b>8,184</b>	<b>8,009</b>
<b>Equity</b>			
Reserves		4,646	4,646
Retained profits		3,538	3,363
<b>Total equity</b>		<b>8,184</b>	<b>8,009</b>

# Financial Report

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

GREYHOUND RACING SA LIMITED ABN 39 094 569 525

	Retained Earnings	Operating Reserves	Asset Revaluation Reserve	Capital Acquisition Reserve	Total
<b>Balance at 1 July 2010</b>	<b>2,582</b>	<b>480</b>	<b>658</b>	<b>4,130</b>	<b>7,850</b>
Profit attributable to members	140	-	-	-	140
Transfer to & from Reserves	622	(480)	-	(142)	-
Total other comprehensive income for the year	19	-	-	-	19
<b>Balance at 30 June 2011</b>	<b>3,363</b>	<b>-</b>	<b>658</b>	<b>3,988</b>	<b>8,009</b>
Profit attributable to members	178	-	-	-	178
Transfer to & from Reserves	-	-	-	-	-
Total other comprehensive income for the year	(3)	-	-	-	(3)
<b>Balance at 30 June 2012</b>	<b>3,538</b>	<b>-</b>	<b>658</b>	<b>3,988</b>	<b>8,184</b>

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

GREYHOUND RACING SA LIMITED ABN 39 094 569 525

	Note	2012 \$000's	2011 \$000's
<b>Cashflows from operating activities</b>			
Receipts from customers		15,220	14,952
Grants Received		100	0
Payments to suppliers and employees		(14,740)	(14,391)
Interest Received		85	93
Finance Costs		(32)	(35)
<b>Net cash provided (used) by operating activities</b>		<b>633</b>	<b>619</b>
<b>Cashflows from investing activities</b>			
Proceeds from sale of property, plant and equipment		0	91
Payments for property, plant and equipment		(356)	(523)
Purchase of investments		-	0
Proceeds from investments		-	-
Advances to clubs		0	(65)
Repayment of loans from clubs		12	9
<b>Net cash provided (used) by investing activities</b>		<b>(344)</b>	<b>(488)</b>
<b>Cashflows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(257)	(240)
<b>Net cash provided (used) by financing activities</b>		<b>(257)</b>	<b>(240)</b>
Net increase/(decrease) in cash held		32	(109)
<b>Cash at beginning of period</b>		<b>1,582</b>	<b>1,691</b>
Cash at end of period	6	1,614	1,582



# Financial Report

## GREYHOUND RACING SA LIMITED ABN 39 094 569 525

Notes to the financial statements for the period ended 30 June 2012

### **Note 1: Statement of Accounting Policies**

The financial report of Greyhound Racing SA Ltd for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Directors on 31 October 2012.

In the opinion of the Board, Greyhound Racing SA Ltd. ("GRSA") is a reporting entity and accordingly, the financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for land and buildings and available-for-sale investments, which have been measured at fair value.

The financial statements of GRSA are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The adoption of AASB 1053 and AASB 2010-2 has allowed GRSA to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. GRSA is exempt from income tax pursuant to the Income Tax Assessment Act.

The following is a summary of the material accounting policies adopted by GRSA in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### **(i) Sale of Goods**

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

##### **(ii) Rendering of Services**

Revenue from TAB distribution for both on-course and off-course wagering is shown net of expenses. Revenue from the supply of Race Fields is recognised in the month of the race field.

##### **(iii) Interest revenue**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.



#### (iv) Dividends

Revenue is recognised when the company's right to receive the payment is established.

#### (b) Depreciation

All fixed assets, including buildings and capitalised leased assets but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset held is first ready for use.

#### (c) Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities in the statement of financial position.

#### (d) Receivables

Receivables that generally have 30 day terms, are recognised at fair value. Collectability of receivables is reviewed on an ongoing basis at an operating level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the company will not be able to collect the receivable.

#### (e) Inventories

Inventories are measured at the lower of cost (First in First Out basis) and net realisable value.

#### (f) Available-For-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date.

#### (g) Property, Plant and Equipment

Property is brought to account at cost or at independent valuation (see Note 11), less, where applicable, any accumulated depreciation or amortisation. Plant and Equipment is brought to account at cost, less where applicable, any accumulated depreciation. The carrying amount of the property, plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets.

GRSA conducts an annual review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



# Financial Report

For the purposes of assessing impairment, assets are grouped at the lowest levels from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have been reversed. The land, buildings and improvements situated at Angle Park were revalued as at 30 June 2009, by independent valuation performed by Neil Bradford, Certified Practising Valuer, of Egan National Valuers (SA), using the fair value methodology.

Revaluation increments arising upon revaluing non-current assets to their fair value are credited directly to the Asset Revaluation Reserve, except, to the extent that, the net increment reverses a net revaluation decrement previously recognised as an expense.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of the disposal, and is included in the profit in the year of disposal.

## (h) Employee Entitlements

Provision is made for GRSA's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at their nominal amount.

The liability for long service leave is recognised and measures as an estimate of the present value of expected future payments made in respect of services provided by employees up to the reporting date.

Contributions are made to employee superannuation funds and are charged as an expense when incurred.

## (i) Members' Guarantee

GRSA is a company limited by guarantee. If GRSA is wound up, the Constitution states that each member is required to contribute a maximum of two (2) dollars towards meeting outstanding obligations. As at 30 June 2012, the number of members was seven (7).

	Note	2012 \$ 000's	2011 \$ 000's
<b>Note 2: Racing Product Income</b>			
TAB Product Fee paid to greyhound racing code		8,712	8,709
less clawback amount payable to SA Government		(483)	(487)
less TAB Product Fee Expenses		(1,730)	(1,874)
Transfer from Provisions - Futurity Series		24	54
Race Field Fee Income		4,357	3,649
On-course tote commissions		131	237
<b>Total Racing Product Income</b>		<b>11,011</b>	<b>10,288</b>
<b>Note 3(a): Revenue</b>			
Other Operating Revenue			
Sponsorships		173	112
National Championship Grant		0	200
Other		514	453
<b>Operating Revenues</b>		<b>687</b>	<b>765</b>



### Note 3(b): SA government grants

An amount was received during the financial year ended 30 June 2012 from the SA Government as a contribution to the cost of a new lift at Angle Park.

	Note	2012 \$ 000's	2011 \$ 000's
<b>Note 4: Prizemonies &amp; Rebates</b>			
Prizemonies		5,309	4,622
Travel Rebates		229	188
<b>Total Prizemonies &amp; Rebates</b>		<b>5,538</b>	<b>4,810</b>
<b>Note 5: Profit from Ordinary Activities</b>			
		<b>178</b>	<b>140</b>
Profit from ordinary activities has been determined after:-			
5(1) Marketing Expenses			
Additional National Championships Marketing		0	324
Marketing Expenses		372	458
<b>Total Marketing Expenses</b>		<b>372</b>	<b>782</b>
5(2) Finance & borrowing costs			
Borrowing facility usage fee paid		11	10
Interest paid on borrowings		21	25
<b>Total Borrowing Costs</b>		<b>32</b>	<b>35</b>
5(3) Depreciation of non-current assets			
Property, plant & equipment		639	619
<b>Total Depreciation</b>		<b>639</b>	<b>619</b>
5(4) Loss on Disposal of Property, Plant & Equipment			
Loss on Disposal of Property Plant & Equipment		0	128
<b>Total Loss on Disposal of Property, Plant &amp; Equipment</b>		<b>0</b>	<b>128</b>
<b>Note 6: Cash &amp; Cash Equivalents</b>			
Cash on Hand		56	58
Cash at Bank		320	145
Investments - Fixed Term		1,015	1,057
Cash Bank Deposits at call		223	322
<b>Total Cash &amp; Cash Equivalents</b>		<b>1,614</b>	<b>1,582</b>
<b>Note 7: Receivables</b>			
Current			
Sundry Debtors		1,027	552
Loans to Clubs		14	16
Provision for Doubtful Debt		(11)	(6)
Other		62	445
<b>Total Current Receivables</b>		<b>1,092</b>	<b>1,007</b>



# Financial Report

	Note	2012 \$ 000's	2011 \$ 000's
Non-current			
Loans to Clubs		45	60
Provision for Doubtful Debt		0	(5)
<b>Total Non-Current Receivables</b>		<b>45</b>	<b>55</b>
Reconciliation of Doubtful Debts			
Opening Balance		(11)	-
Movement		0	(11)
<b>Closing Balance</b>		<b>(11)</b>	<b>(11)</b>
<b>Note 8: Inventories</b>			
Beverages - Tavern & Restaurant - At Cost		45	41
Food - Tavern & Restaurant - At Cost		22	21
<b>Total Inventories</b>		<b>67</b>	<b>62</b>
<b>Note 9: Investments</b>			
Available for Sale Financial Assets		222	283
<b>Total Investments</b>		<b>222</b>	<b>283</b>
<b>Note 10 : Other Current Assets</b>			
Prepayments		100	77
<b>Total Other Current Assets</b>		<b>100</b>	<b>77</b>
<b>Note 11: Property, Plant and Equipment</b>	1(g)		
Land, Building and Improvements - Angle Park at Fair Value		5,768	5,768
Land, Building and Improvements - Angle Park at cost		316	257
Accumulated Depreciation		(554)	(373)
<b>Total Property, Plant and Equipment - Angle Park</b>		<b>5,530</b>	<b>5,652</b>
Land, Building and Improvements - Gawler at Fair Value		67	67
Land, Building and Improvements - Gawler at Cost		143	143
Accumulated Depreciation		(109)	(85)
<b>Total Property, Plant and Equipment - Gawler</b>		<b>101</b>	<b>125</b>
Land, Building and Improvements - Port Pirie at Fair Value		121	121
Land, Building and Improvements - Port Pirie at Cost		0	0
Accumulated Depreciation		(31)	(19)
<b>Total Property, Plant and Equipment - Port Pirie</b>		<b>90</b>	<b>102</b>
Capital Works in Progress		11	-
Accumulated Depreciation		-	-
<b>Total Capital Works in Progress</b>		<b>11</b>	<b>-</b>



	Note	2012 \$ 000's	2011 \$ 000's
Plant and Equipment		3,598	3,449
Accumulated Depreciation		(2,553)	(2,179)
<b>Total Plant and Equipment</b>		<b>1,045</b>	<b>1,270</b>
Furniture and Fittings		329	261
Accumulated Depreciation		(201)	(172)
<b>Total Furniture and Fittings</b>		<b>128</b>	<b>89</b>
Motor Vehicles		152	83
Accumulated Depreciation		(43)	(24)
<b>Total Motor Vehicles</b>		<b>109</b>	<b>59</b>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

	Capital Work in progress	Land Buildings &	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Carrying amount at start of year - at cost	-	5,879	1,270	89	59	7,297
Net revaluation increment	-	-	-	-	-	-
Transfers to and from account	-	-	-	-	-	-
Additions	11	59	149	68	69	356
Disposals	-	-	-	-	-	-
Depreciation expense	-	(217)	(374)	(29)	(19)	(639)
<b>Carrying amount at end of year</b>	<b>11</b>	<b>5,721</b>	<b>1,045</b>	<b>128</b>	<b>109</b>	<b>7,014</b>

	Note	2012 \$ 000's	2011 \$ 000's
<b>Note 12: Payables</b>			
Current			
Trade Creditors		395	390
Other		690	543
<b>Total Current Payables</b>		<b>1,085</b>	<b>933</b>

<b>Note 13: Borrowings</b>			
Current			
Accommodation Bill Facility		140	257
Equipment Loan - Commonwealth Bank		0	0
<b>Total Current Borrowings</b>		<b>140</b>	<b>257</b>

# Financial Report

	Note	2012 \$ 000's	2011 \$ 000's
Non-current			
Accommodation Bill Facility		0	140
Equipment Loan - Commonwealth Bank		0	0
<b>Total Non-Current Borrowings</b>		<b>0</b>	<b>140</b>

A finance facility agreement is in place between GRSA and Commonwealth Bank of Australia. The total amount of the facility at year end is \$140,000 (2011 \$397,000). The facility bears interest at 7.55% (2011 7.55%)

## Note 14: Provisions

Current			
Provision for Annual Leave		250	266
Provision for Long Service Leave		251	250
Provision for Interstate Race Field Fees	14(a)	0	261
Futurity & Gawler Produce Race Series	14(b)	95	62
<b>Total Current Provisions</b>		<b>596</b>	<b>839</b>

Non-current			
Provision for Long Service Leave		20	45
Futurity & Gawler Produce Race Series		-	0
<b>Total Non-Current Provisions</b>		<b>20</b>	<b>45</b>

### Note 14(a): Provision for Interstate Race Field Fees

In the 2010/11 financial statements a provision was made for the backdating of interstate race field expenses. Race field expenses are charged by interstate betting operators and levied on GRSA through TattsBet. There is no further liability outstanding to TattsBet as this obligation has been extinguished.

### Note 14(b): Futurity & Gawler Produce Series

During the year, payments are received for eligible greyhounds to compete in the Futurity and Gawler Produce Race Series meetings. The payments received to compete in the series are paid as additional prize money to successful participants in the race series.

## Note 15: Other Liabilities

Current			
Grants, Subsidies and Deposits in Advance		9	10
<b>Total Other Liabilities</b>		<b>9</b>	<b>10</b>

Non-current			
Grants, Subsidies and Deposits in Advance	15(a)	120	130
<b>Total Other Liabilities</b>		<b>120</b>	<b>130</b>

### Note 15(a): SA Government Reform Package Payment

An amount was received during the financial year ended 30 June 2006 as compensation for the loss of future income expected to result from the SA Government's racing reform package (including on-course tote relief). This amount has been transferred to revenue received in advance, and is being appropriated over a twenty (20) year period.





	Note	2012 \$ 000's	2011 \$ 000's
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## Note 16: Equity & Reserves

### Retained Earnings

GRSA is a Not-For-Profit Company Limited by Guarantee. The constitution precludes any distribution of earnings directly or indirectly by way of dividends, bonus or otherwise by way of profit to a Member.

### Operating Reserve

An Operating Reserve was established in 2004 for the support of future operational requirements. The Board no longer considers that an Operational Reserve is required and has transferred the balance to Retained Earnings.

### Asset Revaluation Reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings to the extent that they offset one another.

### Capital Acquisition Reserve

The capital acquisition reserve is used to record fair value from the acquisition of the assets of member clubs where GRSA becomes responsible for the conduct of race meetings at the club venue.

	2012 \$ 000's	2011 \$ 000's
<b>Note 17: Commitments for Expenditure</b>		
<b>Capital Expenditure Commitments</b>		
Land, Buildings & Improvements		
Not later than one year	-	250
Later than one year, not later than five years	-	-
Later than five years	-	-
<b>Total Commitments for Expenditure (including GST)</b>	<b>-</b>	<b>250</b>

## Note 18: Related Party Information

Board members have no equity participation as GRSA is a company limited by guarantee, for the benefit of the greyhound racing industry.

### (a) Board Members' Remuneration

<b>Total Board Members' Remuneration</b>	<b>138</b>	<b>110</b>
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### (b) Key Management Remuneration

<b>Total key management remuneration</b>	<b>902</b>	<b>739</b>
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Unless otherwise disclosed, transactions between related parties (including key management personnel) are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with a non-related party at arm's length in the same circumstances.



ANGLE  
AUSTR





PARK  
RALIA





## Directors' Declaration

*In accordance with a resolution of the directors of Greyhound Racing SA Ltd, I state that the directors of the company declare that:*

1. In the opinion of the directors, the financial statements and notes of Greyhound Racing SA Ltd for the financial year ended 30 June 2011 are in accordance with the Corporations Act 2001, including;

- a. Giving a true and fair view of the financial position as at 30 June 2011 and performance for the year ended on that date; and
- b. Comply with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- c. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. The Chief Executive Officer and Chief Financial Officer have declared that:

- a. The financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001.
- b. The financial statements for the financial year, and accompanying notes as required by the Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- c. The financial statements and notes for the financial year give a true and fair view; and
- d. All other matters that are specified by regulations regarding declarations made under Section 295A have been satisfied.

On behalf of the Board



.....  
Michael Allan Fabbro, Chairman

Dated this 31st day of October 2012

## Directors' Declaration

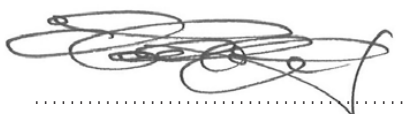
GREYHOUND RACING SA LIMITED ABN 39 094 569 525

### **DECLARATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER**

In accordance with Section 295A of the Corporations Act 2001, we declare that in our opinion:

1. The financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001.
2. The financial statements for the financial year, and accompanying notes as required by the Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
3. The financial statements and notes for the financial year give a true and fair view of the financial position and performance of the company.
4. All other matters that are specified by regulations regarding declarations made under Section 295A have been satisfied.

This declaration is made in relation to the financial year ended 30 June 2012.



Matthew Peter Corby  
Chief Executive Officer



Matt William Adams  
Chief Financial Officer



# Auditor's Report



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## **Independent auditor's report to the members of Greyhound Racing SA Ltd**

### **Report on the financial report**

We have audited the accompanying financial report of Greyhound Racing SA Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity 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 company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We 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 about 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 judgment, 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 controls 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 controls. 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the financial report.

# Auditor's Report



## Opinion

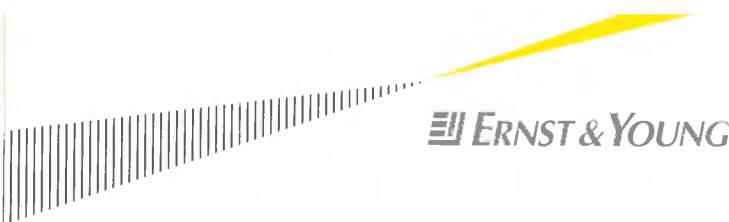
In our opinion the financial report of Greyhound Racing SA Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of Greyhound Racing SA Ltd at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

  
David Sanders  
Partner  
Adelaide  
31 October 2012



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## Auditor's Independence Declaration to the Directors of Greyhound Racing SA Ltd

In relation to our audit of the financial report of Greyhound Racing SA Ltd for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

  
David Sanders  
Partner  
Adelaide  
31 October 2012



## GREYHOUND RACING SA - Members of Company

Adelaide Greyhound Racing Club Inc.  
Gawler Greyhound Racing Club Inc.  
Greyhound Owners, Trainers and Breeders Association Coursing Club Inc.  
Mount Gambier Greyhound Racing and Coursing Club Inc.  
Port Augusta and District Greyhound Racing Club Inc.  
Riverland Greyhound Racing Club Inc.  
Southern Greyhound Raceway Inc.

## Responsible gambling mission statement

Greyhound Racing SA is governed by a Code of Practice that promotes the socially responsible use of its wagering services as a recreation and entertainment activity and to minimise the potential harm associated with problem gambling







Greyhound Racing SA Ltd.  
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Photos courtesy of Arclight Photography.

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