RACING ASSOCIATION

ANNUAL REPORT

31 JULY

2019

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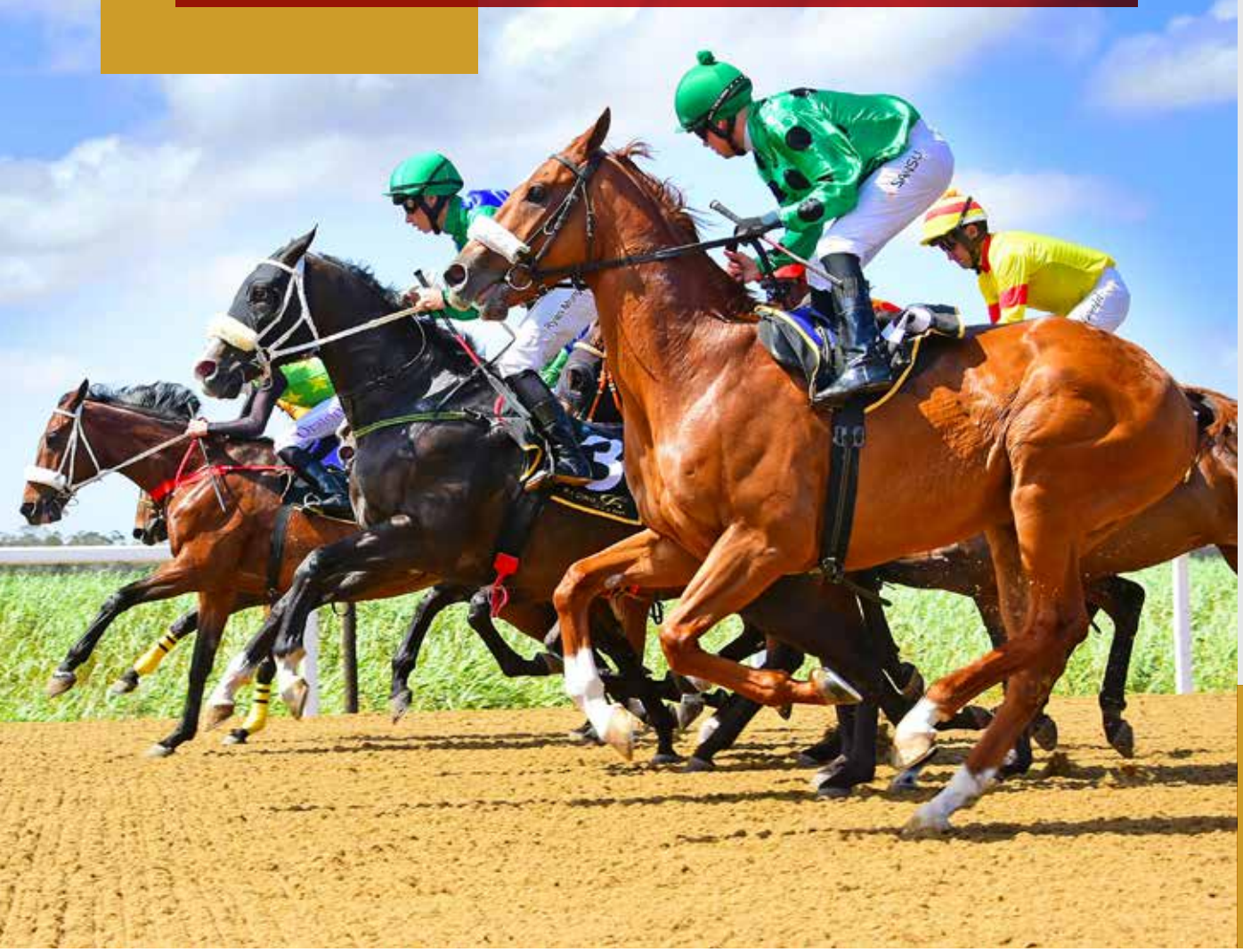
RACING ASSOCIATION

Mission Statement

RACING ASSOCIATION

To protect and support the interests of the sport of horseracing in general and, in particular, the interests of the owners by working through the Racing Association board of directors and management to ensure that every aspect of the racing industry realizes its greatest potential.



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Agenda

RACING ASSOCIATION

THE RACING ASSOCIATION NPC (Registration Number 1997/19092/08) ("The Association")
NOTICE OF THE TWENTY FIRST ANNUAL GENERAL MEETING (DELAYED) OF THE MEMBERS OF THE RACING ASSOCIATION NPC TO BE HELD ON MONDAY 10 FEBRUARY 2020 AT 18H00 AT KENILWORTH RACECOURSE. A VIDEO LINK WILL BE ARRANGED SIMULTANEOUSLY IN THE CENTENARY ROOM, TURFFONTEIN RACECOURSE, JOHANNESBURG

AGENDA

Notice is hereby given to the Members of The Racing Association NPC that the twenty first Annual General Meeting of the Association (which has been delayed) will be held on Monday 10 February 2020 at 18h00 at Kenilworth Racecourse. A video link will be arranged simultaneously in the Centenary Room, 3rd Floor, Turffontein Racecourse.

The reason for the delay in calling and holding this meeting is as a result of Phumelela Gaming and Leisure Limited delaying the announcement of their results and the holding of their annual general meeting. This in turn has necessitated a delay in the Company's own Annual General Meeting.

Similarly, the Racing Association Board would like the opportunity to present a revised vision for the Company.

The annual general meeting takes place for the following purpose:

1. To confirm the Minutes of the twentieth Annual General Meeting held on Tuesday 11 December 2018, copies of which accompany the Notice of Annual General Meeting.

2. To receive the Chairman's Report for the year under review.

3. To consider the audited annual financial statements for the financial year ended 31 July 2019, including the Directors' report and the report of the Auditors. Copies of the audited annual financial statements accompany the Notice of Annual General Meeting.

4. To authorize the directors to determine the auditors' remuneration for the past year and to appoint auditors for the coming year.

5. To present the stakes for the forthcoming season

6. To announce the names of the directors who have been elected, as provided for in terms of Clause 21 of the Memorandum of Incorporation, and who will assume office at the close of the Annual General meeting.

7. SPECIAL BUSINESS
   The following Special Resolution 1 is proposed:
   Members are requested to condone the late calling and holding of the AGM as required by Clause 13.3 of the MOI. Your Board will take the opportunity at the Annual General Meeting to present a revised vision for the Racing Association.

8. To transact such business as may be transacted at an Annual General Meeting. Members are invited to submit items for discussion and inclusion on the Agenda by no later than Friday 31 January 2020.

9. VOTING AND PROXIES

   On a show of hands, every member present in person or by proxy shall have one vote, and on a poll, every member present in person or by proxy shall have one vote. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote on behalf of such member. The proxy so appointed must be a member of the Association in good standing. Proxy forms, for use by members are attached to this notice. Duly completed and executed proxy forms must be lodged at the registered office of the Company, by no later than the commencement of Annual General Meeting. No proxy form(s) will be considered once the Annual General Meeting has commenced.

CHAIRMAN

Administration

RACING ASSOCIATION

Directors

M E Leaf	Chairman
M F de Kock	
G Paddock	Eastern Cape Region
C Savage	
W Smith	Western Cape Region
L Wainstein	
L M F Wernars	

Chief Executive Officer

L Wainstein

Administration Office

Address:	14 Turf Club Street, Turffontein, Johannesburg
	P O Box 74054, Turffontein, 2140
Telephone:	(011) 683-3220
Website:	www.racingassociation.co.za

Auditors

BRF & Co.

Bankers

Standard Bank of South Africa Limited

Minutes of the AGM

RACING ASSOCIATION

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF MEMBERS OF THE RACING ASSOCIATION HELD AT 17H30 ON TUESDAY 11 DECEMBER 2018 IN THE HAWAII ROOM, TURFFONTEIN RACECOURSE

PRESENT: **34 Members in Gauteng** (As per the register)
12 Members in Western Cape (As per the register)

APOLOGIES: **11 apologies**

1. WELCOME

The Chairman welcomed Members and guests to the twentieth annual general meeting of Members of the Racing Association. He said that this meeting would include Members from the Western Cape RA chapter who were in attendance by video link.

2. INTRODUCTION

The Chairman informed the meeting that the proceedings at the annual general meeting are prescribed in the Racing Association Memorandum of Incorporation.

He welcomed Brett Kaye who was in attendance representing the company's audit firm, BRF and Co and Joshna Budhia representing Levitt Kirson, the company's secretarial firm to the RA. He also welcomed the CEO of Phumelela Gaming and Leisure Limited, John Stuart.

3. QUORUM FOR AN ANNUAL GENERAL MEETING

The Chairman informed the meeting that 8 Proxy forms had been received from members who wished to be represented by proxy at this meeting. The directors accepted 8 proxy forms.

Apologies from 11 members had been recorded.

He said that the number of members in good standing on the register is 1188. He further advised that 54 members were present at this meeting in person or by proxy. This represents 5% of members entitled to be present and vote at this meeting. In terms of 15.3 of the Memorandum of Incorporation, 20 members present in person or by proxy constitutes a quorum. The Chairman accordingly declared the meeting duly constituted.

4. DEATHS

Before proceeding with the agenda, the Chairman asked members to be upstanding and observe a few moments silence as a mark of respect for the following members who had passed away during the year under review

Mr M C Gerber
Mr K N Naidoo
Mr T Payne
Mr L J Erasmus

5. ORDINARY RESOLUTION 1 PROPOSES CONFIRMING THE MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING HELD ON TUESDAY 12 DECEMBER 2017 AS A TRUE RECORD OF THE MEETING

The Chairman invited members to make themselves heard on the proposal to pass Ordinary Resolution 1.

Proposer: Mr A O'Connor
Seconder: Mr J Stuart

There were no questions from Members.

IT WAS RESOLVED that Ordinary Resolution 1 be adopted.

6. THE REPORT OF THE CHAIRMAN FOR THE YEAR UNDER REVIEW

The Chairman said that the report of the Chairman had been available for some time. He called for comments, questions or suggestions relating to the Chairman's report.

There were no matters arising from the Chairman's report.

7. ORDINARY RESOLUTION 2 – TO CONSIDER THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2018 INCLUDING THE REPORT OF THE DIRECTORS' AND THE REPORT OF THE AUDITORS' THEREON. THE AUDITED ANNUAL FINANCIAL STATEMENTS HAD BEEN INCLUDED IN THE ANNUAL REPORT

The Chairman invited members to make themselves heard on the proposal to pass Ordinary Resolution 2.

Mr Savage raised a query relating to the detailed consolidated income statement on pages 52 and 53 of the annual report. In particular, he noted that the auditors stated that this is presented as additional information which has not been audited and accordingly the auditors do not express an opinion thereon. Mr Kaye responded that the specific pages are a typical disclosure that one would generally see in an income statement. This is merely a condensed form. Mr Savage pointed out that the additional breakdown is unaudited and cannot be relied upon.

Mr Savage pointed out that PGL should represent the interest of the owners. He queried why the RA had taken on the risk in the acquisition of PGL shares and asked to what extent was it deemed appropriate. He enquired what percentage of members took up those shares.

The Chairman said that at the time of corporatisation, members were offered shares and in this instance they were again offered shares when the Supabets deal was entered into. The Trust was not in a position to take up the shares and therefore the RA decided to get involved. The Chairman said he could not recall the number of members that took up the offer.

Mr Savage enquired how did the Board came to that decision and how did they think it was in the best interests of the members. He said it was almost reckless and negligent and the action was reflected in our accounts.

Mr Wainstein said that the Board had unanimously decided to take up the deal. He pointed out that the R60m that was in the bank when this Board took over was invested and it pushed up our cash to R112m. He pointed out that from the dividend paid out from the shares, 80% goes into stakes. He said that this decision was not taken on a whim; the directors had the advice of experts who had done well for the RA before. Mr Savage said in his opinion, when considering the amount of the cash spent, he felt that the members should have been consulted.

In response to a question from Mr Kobush as to whether the RA Board have to pass probity, Mr Wainstein said that this is not the case. Mr Kobush continued that when one sells shares to that value in terms of the Companies Act where does the liability start and stop. He said that if a Board does not have to pass probity, it is a risk.

Mr Currie, as Chairman of the Racing Trust, said if we go through the transaction, probity is required if you are a director of a gambling company. The RA is not a gambling company but it does not mean that they are not competent. This was a complex transaction in that the Gambling Board has the final say as to whether a gambling company can take over another one. This was therefore not a Competitions Commission issue it was a Gambling Board issue. There were individuals, under confidentiality, who were prepared to underwrite the deal at approximately R17,90 per share. A listed asset manager undertook to underwrite the transaction free of charge. Mr Currie said that the RA was trying to align its members with the institution that was constantly maligned for making profits as opposed to giving returns. He said that there had been consultation regarding financial information and the Board had acted within its mandate at the time.

Mr Savage said that this Board does not have the expertise to make a decision such as this. He said as a PGL shareholder, he wants to receive a dividend but as an owner he is looking for something different. He enquired about the key performance indicators of the RA Board whereby we measure ourselves as a Board and how the Directors hold themselves accountable.

The Chairman said that the Memorandum of Incorporation sets out how the directors are expected to act. He said that this line of questioning is detracting the Members away from the agenda of this meeting. He assured the Members that at all times our most important task is to act in the best interests of our members.

There were no further matters arising from the Audited Annual Financial Statements for the Financial Year ended 31 July 2017.

Proposer: Rob Scott
Seconder : David Abery

IT WAS RESOLVED THAT Ordinary Resolution 2 be adopted.

8. ORDINARY RESOLUTION 3 – ORDINARY RESOLUTION 3 PROPOSES AUTHORISING THE DIRECTORS TO FIX THE AUDITORS REMUNERATION FOR THE PAST YEAR AND TO APPOINT THE AUDITORS FOR THE COMING YEAR

The Chairman invited members to make themselves heard on the proposal to pass Ordinary Resolution 3.

There were no matters arising regarding the Authorising of Directors to fix the Auditors' remuneration for the past year and the appointment of Auditors for the coming year.

Proposer: Mr C Savage
Seconder : Mr A Joannides

IT WAS RESOLVED THAT Ordinary Resolutio 3 be adopted.

Minutes of the AGM (Continued)

RACING ASSOCIATION

9. STAKES PRESENTATION

Mr Wainstein presented the following stakes for the forthcoming season:

2018,12,05

KENILWORTH RACING
Summary Stakes
August 2018 to July 2019

100%

Month		Feature Races		Minor Races		Split Races		RA Bonuses	Abandoned Meetings			Total Races			Stakes
	Meetings	Races	Stakes	Races	Stakes	Races	Stakes	Stakes	Meetings	Races	Stakes	Meetings	Races	Stakes	Rounded
Aug	6	0	0	48	4 057 450	0	0					6	48	4 057 450	**4 057 450**
Sep	7	2	150 000	55	4 855 000	0	0					7	57	5 005 000	**5 005 000**
Oct	7	4	1 150 000	53	4 573 000	0	0					7	57	5 723 000	**5 723 000**
Nov	7	6	3 750 000	52	4 425 000	0	0	60 000				7	58	8 235 000	**8 235 000**
Dec	7	9	4 000 000	53	4 544 000	0	0	80 000				7	62	8 624 000	**8 624 000**
Jan	6	15	22 500 000	40	3 490 000	1		60 000				6	55	26 050 000	**26 050 000**
Feb	4	4	950 000	29	2 416 000		0					4	33	3 366 000	**3 366 000**
Mar	5	1	350 000	39	3 220 000		0					5	40	3 570 000	**3 570 000**
Apr	7	2	400 000	54	4 620 000	2	180 000					7	56	5 200 000	**5 200 000**
May	6	5	850 000	44	3 784 000	2	180 000					6	49	4 814 000	**4 814 000**
Jun	7	7	1 275 000	50	4 314 000	2	180 000					7	57	5 769 000	**5 769 000**
Jul	6	2	500 000	46	4 010 000	2	180 000					6	48	4 690 000	**4 690 000**
Total	**75**	**57**	**35 875 000**	**563**	**48 308 450**	**9**	**720 000**	**200 000**				**75**	**620**	**85 103 450**	**85 103 450**
									not included in calculation						
		AVE			85 805										

Less: DIRECT STAKES CONTRIBUTIONS	
Lanzerac Ready to run	-2 500 000
kuda	-175 000
International Reserve Races	-10 000 000
	72 428 450
Carryover from previous yr	
65 701 732 As per Stakes formula	60 701 732
Trust contribution	5 000 000
SURPLUS on NET Stakes	**-6 726 718**

National Comparison : Stakes and Race Meetings 2018.12.06 SP

	KwaZulu-Natal		Western Cape		Highveld		EC		NC		
	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings	TOTALS
2007-2008	R 79 657 010	120	R 56 261 160	94	R 102 179 075	125	R 29 558 875	70	R 11 078 500	37	R 278 734 620
2008-2009	R 80 818 000	116	R 58 654 000	92	R 113 486 225	140	R 32 062 000	68	R 13 042 000	36	R 298 062 225
	1%	-3%	4%	-2%	11%	12%	8%	-3%	18%	-3%	7%
2009-2010	R 81 390 250	107	R 58 424 430	87	R 117 065 500	148	R 33 876 500	68	R 13 166 000	36	R 303 922 680
	1%	-8%	0%	-5%	3%	6%	6%	0%	1%	0%	2%
2010-2011	R 73 337 465	109	R 56 855 179	87	R 116 096 000	149	R 33 076 500	69	R 13 180 000	36	R 292 545 144
	-10%	2%	-3%	0%	-1%	1%	-2%	1%	0%	0%	-4%
2011-2012	R 73 417 785	106	R 53 892 270	86	R 118 893 625	148	R 32 553 000	68	R 14 325 000	36	R 293 081 680
	0%	-3%	-5%	-1%	2%	-1%	-2%	-1%	9%	0%	0%
2012-2013	R 84 912 075	99	R 54 343 070	81	R 126 626 000	146	R 34 478 000	66	R 14 143 000	34	R 314 502 145
	16%	-7%	1%	-6%	7%	-1%	6%	-3%	-1%	-6%	7%
2013-2014	R 95 254 750	100	R 61 436 675	78	R 133 769 000	144	R 37 644 000	67	R 14 886 450	34	R 342 990 875
	12%	1%	13%	-4%	6%	-1%	9%	2%	5%	0%	9%
2014-2015	R 95 839 950	110	R 69 419 000	84	R 140 218 500	144	R 40 867 000	71	R 14 786 000	34	R 361 130 450
	1%	10%	13%	8%	5%	0%	9%	6%	-1%	0%	5%
2015-2016	R 112 346 000	122	R 68 795 000	83	R 145 449 500	147	R 42 419 000	72	R 15 002 000	33	R 384 011 500
	17%	11%	-1%	-1%	4%	2%	4%	1%	1%	-3%	6%
2016-2017	R 110 645 775	115	R 79 081 275	84	R 148 861 400	147	R 44 459 000	71	R 16 785 775	33	R 399 833 225
	-1.5%	-6%	15.0%	1%	2.3%	0%	4.8%	-1%	11.9%	0%	4.1%
2017-2018	R 110 817 413	106	R 76 719 000	82	R 148 621 910	139	R 45 007 000	69	R 18 391 000	35	R 399 556 323
	0.2%	-8%	-3.0%	-2%	-0.2%	-5%	1.2%	-3%	9.6%	6%	-0.1%
2018-2019	R 121 135 000	111	R 75 103 450	80	R 154 731 500	140	R 48 348 000	70	R 19 305 300	36	R 418 623 250
BUDGET	9.3%	5%	-2.1%	-2%	4.1%	1%	7.4%	1%	5.0%	3%	4.8%

Phumelela Stakes Budget - **R 222 384 800**

MILLION DOLLAR RACE/s AT KENILWORTH
Stakes~General/National Comparison to ye 2014

2016-2017	R 13 068 000
	R 92 149 275
2017-2018	R 12 125 000
	R 88 844 000
	R 10 000 000
	R 85 103 450

Mr Wainstein said that overall stakes had increased by 8%.

Mr Shill raised the matter that maiden plates were being run at a stake of R95k whereas owners had been advised that stakes for maidens would be R105k. Mr Wainstein undertook to look into this.

Mr Wainstein said that if there is a shortfall for stakes in Western Cape, there will be a requirement to rectify the situation. Mr Abery said that in the previous season in WC, stakes were recorded as R93 million less R12million. The R93 million included all the ready to run races. He asked for some more information as regards stakes and suggested that it be published on the RA website as it is very complicated. Mr Wainstein undertook to consider this request.

Mr Wainstein said he wanted to say on a personal note, Chris Gerber made an enormous contribution to this industry. He had no hidden agendas and he will be sorely missed. There were no further questions regarding stakes.

10. DIRECTORS

The Chairman reported that nominations were held for national and regional areas.

10.1 National

In terms of Clause 21.2 of the Memorandum of Incorporation of the Racing Association, Mr Naidoo and Mr Scott resigned as national directors. Mr Naidoo was not available for re-election. Mr R Scott had withdrawn from the election due to his appointment to the PGL Board.

Additional nominations were received from Messrs Mike de Kock, Charles Savage, Dean Alexander, and Anthony Joannides. Mr de Kock and Mr Savage were elected to the board.
The national Board comprises:
Mike de Kock
Michael Leaf
Grant Paddock Representing the Eastern Cape Chapter
Charles Savage
Jonathan Snaith Representing the Western Cape Chapter
Larry Wainstein
Laurence Wernars

Mr Naidoo addressed the meeting. He said he has served on the RA Board for a total of 12 years. He thanked the ladies and all his colleagues at the RA for their support during his term of office. Mr Naidoo said he will be assisting with the National Grooms' Association, along with the NHA in the future.

10.2 East Cape Chapter

In terms of Clause 25.1 of the Memorandum of Incorporation of the Racing Association, Grant Paddock and Jacques Strydom resigned. Messrs Paddock and Strydom offered themselves for re-election. No additional nominations were received and Messrs Paddock and Strydom were re-elected unopposed.

The Eastern Cape board is as follows:
Grant Paddock
Jacques Strydom

10.3 Western Cape Chapter

In the Western Cape Chapter, in terms of Clause 25.1 of the Memorandum of Incorporation, Mr Craig Kieswetter and Mr Philip Taberer had been co-opted to the Board and have made themselves available for election. Additional nominations were received from Mr Philip Sarembock and Wehann Smith.

The Western Cape Board is as follows:
Craig Kieswetter
Wehann Smith
Jonathan Snaith
Justin Vermaak
Philip Taberer

The Chairman thanked all of the chapter committee members who have made an invaluable contribution to the regional committees. He said that since the age of democracy, he felt there was insufficient representation on the RA board. The Chairman requested that every effort should be made to overcome the challenge and to find suitable candidates on the various boards. He expressed his sincere appreciation to all the persons who have made a contribution on the regional committees.

11. GENERAL BUSINESS

The Chairman said that Members had been invited to provide, in writing to the Racing Association by no later than Tuesday 27 November 2018, any item not on the agenda, which the members wished to discuss. No items had been submitted for discussion.

In closing, the following matters were mentioned:

- Just over a month ago, the industry had lost a true son of the soil in Chris Gerber.
- Summer Cup was a fantastic day and made all of us very proud to be associated with the Sport of Kings.
- The Chairman also remarked on the four in a line finish in the Greenpoint Stakes. This was one of the most impressive finishes in many years.
- Plans were underway for a match race for the first time in 20 years – this displayed the management starting to get their

inventive juices back again.

- The Public Protector is looking into the R17,5m relating to Grooms
- Declining attendances and revenues are of concern.
- All the staff at the RA, both full time and part-time, had given their total commitment to the industry under the loyal management of Larry Wainstein who had gone beyond the call of duty.
- From a Marketing perspective, the RA team are working hard.
- The Equus Awards had been well co-ordinated along with the RA teams who arranged the provincial awards in Gauteng, Kimberley and Western Cape.
- The RA had made a worthy contribution relating to all aspects of racing in conjunction with PGL.

The Chairman said he looked forward to the continuation of their support.

12. THANKS AND CLOSE

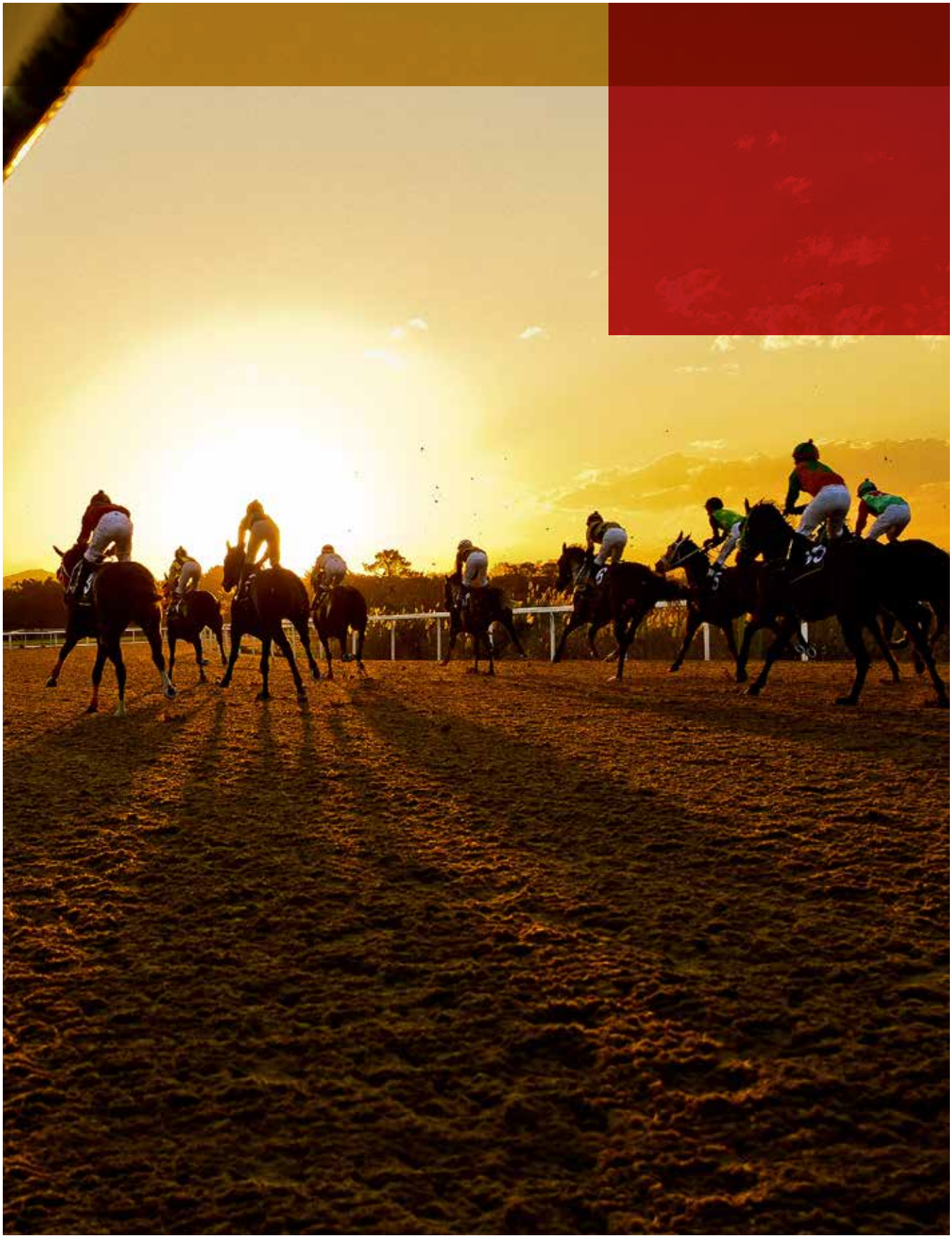
In closing, the Chairman said on behalf of management and directors he wished to thank the Members for their attendance. He reiterated that the Board has an open door policy and the directors are elected by the membership and encouraged Members to approach board members with their concerns.
He expressed his appreciation to members who have supported the RA directors by way of communicating to keep the Board informed of their requirements.

Members were cordially invited to attend a cocktail party at the conclusion of the meeting. He invited Members to take the opportunity to interact with the board, and to share their thoughts about the sport and the racing experience.

The Meeting was declared closed at 18h43

CHAIRMAN

RACING ASSOCIATION



Chairmans Report

RACING ASSOCIATION

On behalf of the Directors of The Racing Association NPC (RA), I have pleasure in presenting the Annual Report, together with the Consolidated Audited Financial Statements for the year ended 31 July 2019.

The RA is a members' association representing the interests of racehorse owners. The RA aims to promote and advance the interests of members and the sport of racing and one of the Association's key roles is ensuring that the stakes agreement with Phumelela Gaming and Leisure Ltd (PGL) is adhered to.

1. RACING ASSOCIATION BOARD OF DIRECTORS

The following Directors held office during the year:-

- Michael Leaf
- Michael de Kock
- Charles Savage
- Larry Wainstein
- Laurence Wernars
- Wehann Smith - WC Chapter Representative
- Grant Paddock - EC Chapter Representative

Michael Leaf held the position as Chairman of the Racing Association during the current year. The Racing Association Directors served on the following committees during the year :-

Graded Races Standing Committee	L Wainstein, M de Kock
Membership Relations/ Communications	L Wainstein, C Savage
Marketing Committee	L Wainstein, L Wernars, C Savage, W Smith
Finance and REMCO	M Leaf, L Wainstein, C Savage, W Smith
Strategy Committee	All directors
Jockeys Remuneration Committee	L Wainstein, L Wernars
Industry Liaison	L Wainstein, L Wernars
Trainer Liaison	L Wainstein
SAETREK (Import/Export)	Agreed no more involvement
Programming	M de Kock, S Tarry, J Soma, J Janse van Vuuren
SAHEP	M de Kock, J Snaith J Vermaak (Western Cape Region)
Racing Sub Committee	L Wainstein, M de Kock, J Snaith, G Paddock
Stakes Committee	L Wainstein, M de Kock, C Savage, J Snaith

The CEO serves on all the above committees and Mesdames Angie Basel, Penny Morsner and Merle Parker serve on the Marketing Committee. The committees will be restructured at the first Board/Strategy meeting scheduled in 2020.

1.1 Marketing Committee

Marketing committee projects:

- Annual Feature Race Calendar is being produced for RA members
- Racing. It's a Rush continue with their campaign to promote the sport of racing.
- RA website update
- Entertainment of members who have runners in Grade 1 races
- Annual RA Feature Season Awards
- Equus Awards
- Access to live racing on Tellytrack.com
- Introduction of affordable syndicates to attract young owners

1.2 Industry Liaison

This committee constantly monitors matters of mutual interest of all sectors of the industry to ensure that racing and safety standards are maintained. The following sectors are represented:

Racing Association
Phumelela Gaming and Leisure Limited
- Racing
- Marketing
- Hospitality
- International/Publishing
- Tellytrack

The National Horseracing Authority
Trainers
Jockeys
Breeders
Grooms

The Industry Liaison Committee also operates in the Eastern Cape and Western Cape regions and the Committee has played a role in monitoring all matters pertaining to the sport of the industry.

2. MEMBERSHIP

Membership of the RA as at 31 July 2019 was 1238. During the year, the following persons were granted life membership by the directors:

Mrs R A Bartlett
Mr CGT Beckett
Mr M Benson
Mr MA Currie
Mrs J de Nys
Mr ZACJ Hamilton
Mr SA Hanna
Mrs SW Hartley
Mr FL Lorenzani
Mr T Moodley

3. ASSOCIATED RACING BODIES IN SOUTH AFRICA

3.1 The Thoroughbred Horseracing Trust

The persons elected by the board to represent the RA on the Trust are:

Mark Currie
Jessica Slack Jell
Bradley Ralph
Barry Hendricks represents SASCOC on the Trust
Gideon Sam represents SASCOC on the Trust.

RACING ASSOCIATION

4. STAKES VERSUS NUMBER OF RACEMEETINGS

Mr Wainstein to present the stakes for the forthcoming season.

5. RACING ASSOCIATION FINANCIALS

The RA's income was R17 944 095
(2018: R R21 556 176).
Net loss for the RA as at 31 July 2019 was R34 915 545
(2018: R14 168 347 loss).
The Group net loss before tax was R34 765 636
(2018: R12 711 778 loss).

5.1 Donation – National Horse Trust

In the year under review, donations of R409 800 were made to the National Horse Trust's Highveld Horse Care Unit, which looks after the Gauteng and Free State regions. A further R204 375 was set aside for the Eastern Cape region.

5.2 Donation – Trainers' Benevolent Fund

An annual contribution amounting to R686 592 was made to the Trainers' Benevolent Fund which includes Gauteng and Eastern Cape Regions.

6. FEATURE SEASON AWARDS

6.1 RA Highveld Feature Season Awards

The RA hosted the annual RA Highveld Feature Season Awards in May 2019. The event took place in the Aquanaut Room, Turffontein Racecourse and our congratulations go to all the winners. Hawwaam, owned by Sheikh Hamdan Bin Rashid al Maktoum and trained by Mike de Kock, received the Champion Horse of the Season Award. Based on the successful achievements by Hawwaam, Sheikh Hamdan Bin Rashid al Maktoum won the Owner of the Season Award.

6.2 Northern Cape Racing Awards

The annual awards for the FS/NC region were held in the Banqueting Room at Flamingo Casino on Friday 2 August. Francois du Toit was Northern Cape Champion Owner, while the horse of the season went to Timkat, owned and trained by Cliffie Miller.

6.3 Eastern Cape Racing Awards

The Eastern Cape Awards were held in the HB Christian Room, Fairview Racecourse on 4 September recognizing and awarding the best horses and industry stakeholders over the previous twelve months. National Park, owned by Messrs Bryn Ressell, FH McGrath, MC Wright and Missing You Syndicate (Nominee: Mr RC Knuppe) and trained by Yvette Bremner, was awarded the Eastern Cape Champion Horse of the Year Trophy. The Champion Owner Award was won by Messrs CG and LF Scribante.

6.4 Western Cape Racing Awards

Do It Again, owned by Nick Jonsson, Bernard Kantor and the late WJC Mitchell was awarded the Western Cape Horse of the Season at the 2019 Awards that were held at The Vineyard Hotel, Newlands on 8th August. The Champion Owner of the season went to Mrs S Plattner.

7. EQUUS AWARDS

The 2018/19 annual Equus Awards was hosted by Racing. It's a Rush at Emperors' Palace on Tuesday 13 August 2019 and co-ordinated by The Racing Association. The evening was a resounding success and we offer our heartiest congratulations to all the winners. Chris van Niekerk won the Champion Owners trophy while the Justin Snaith trained Do It Again owned by Nick Jonsson, Bernard Kantor and the late WJC Mitchell won the Champion Horse of the Season Award.

In addition to thanking our guests who give their support to this event, I wish to record a special word of thanks to the organizations who, along with the Racing Association, contributed towards the success of the evening, namely:
Emperors Palace
Gold Circle Racing
Kenilworth Racing
Phumelela Gaming and Leisure Limited
Racing. It's A Rush
Tellytrack
Thoroughbred Breeders Association

8. RA ENTERTAINMENT OF OWNERS IN MAJOR FEATURE RACES

Throughout the season, The Racing Association hosted connections of runners in Grade I events who are either RA members or out-of-town visitors. We congratulate all the winning connections in those events and look forward to their continued support.

9. GENERAL

This year has been challenging not only for the Racing Association but for the industry in general. I record my special thanks to the RA Board as well as the CEO, Larry Wainstein and his team at the RA for their commitment and support. Collectively, our aim is to continue serving our members and the industry to the best of our ability.

RACING ASSOCIATION

RACING ASSOCIATION

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RACING ASSOCIATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Advancing and promoting the sport of thoroughbred horseracing
Directors	MF de Kock ME Leaf GW Paddock CH Savage W Smith LA Wainstein LMF Wernars
Registered office	4th Floor, Aloe Grove Houghton Estate Office Park 2 Osborne Road Gauteng 2000
Business address	14 Turf Club Street Turffontein Johannesburg 2140
Postal address	PO Box 1523 Johannesburg 2000
Bankers	Standard Bank of South Africa Limited Investec Bank Limited
Auditors	BRF & Co.
Secretary	Levitt Kirson Management Services CC
Company registration number	1997/019092/08
Level of assurance	These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.
Preparer	The consolidated annual financial statements were independently compiled by: CA on the Way Proprietary Limited
Issued	14 November 2019

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RACING ASSOCIATION

The reports and statements set out below comprise the consolidated annual financial statements presented to the members:

Company secretary report

RACING ASSOCIATION

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended ("Companies Act"), I, Levitt Kirson Management Services CC, in my capacity as company secretary, confirm that, to the best of my knowledge and belief, for the year ended 31 July 2019, The Racing Association NPC has filed with the Companies and Intellectual Property Commission all such returns and notices as are required in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

Levitt Kirson Management Services CC

Company secretary

Directors' Responsibilities and Approval

RACING ASSOCIATION

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the company and group (hereafter the "group") as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the groupís business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Code of Corporate Practices and Conduct has been integrated into group strategies and operations.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the groupís cash flow forecast for the next 12 months and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 23 to 24.

The report of the directors set out on pages 20 to 22 and the consolidated annual financial statements set out on pages 25 to 73, which have been prepared on the going concern basis, were approved by the directors on 14 November 2019 and were signed on their behalf by:

Director

Director

Directors' Report

RACING ASSOCIATION

The directors have pleasure in submitting their report on the consolidated annual financial statements of The Racing Association NPC and its subsidiary for the year ended 31 July 2019.

1. Incorporation

The company was incorporated in South Africa on 10 November 1997 and obtained its certificate to commence business on the same day.

2. Nature of business

The Racing Association NPC was incorporated in South Africa and is engaged in advancing and promoting the sport of thoroughbred horseracing in the interest of its members. The group operates principally in South Africa.
There have been no material changes to the nature of the group's business from the prior year.

3. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

The operating results and state of affairs of the group and company are fully set out in the attached consolidated annual financial statements and do not in our opinion require any further comment.

Registered office	4th Floor, Aloe Grove Houghton Estate Office Park 2 Osborne Road Gauteng 2000
Business address	14 Turf Club Street Turffontein Johannesburg 2140
Postal address	PO Box 1523 Johannesburg 2000

4. Directors

The directors in office at the date of this report are as follows:

Directors	**Changes**
MF de Kock	Appointed 11 December 2018
ME Leaf	
MK Naidoo	Resigned 11 December 2018
GW Paddock	
CH Savage	Appointed 11 December 2018
RT Scott	Resigned 04 December 2018
W Smith	Appointed 16 May 2019
JJ Snaith	Resigned 16 May 2019
LA Wainstein	
LMF Wernars	

RACING ASSOCIATION

5. Directors' interests in contracts

During the financial year, no contracts were entered into which the directors or officers of the group had an interest and which significantly affected the business of the group.

6. Interest in subsidiary

Details of the company's investment in subsidiary are set in note 7.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

9. Auditors

BRF & Co. will continue in office as auditors in accordance with section 90 of the Companies Act 71 of 2008 of South Africa.

10. Secretary

The company secretary is Levitt Kirson Management Services CC of:

Business address: Fourth Floor, Aloe Grove
Houghton Estate Office Park
2 Osborne Road
Houghton

Independent Auditors' Report

RACING ASSOCIATION

TO THE MEMBERS OF THE RACING ASSOCIATION NPC

Report on the Audit of the Consolidated Annual Financial Statements

Opinion

We have audited the consolidated annual financial statements of The Racing Association NPC set out on pages 25 to 71, which comprise the statement of financial position as at 31 July 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated annual financial statements, including a summary of significant accounting policies. In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of The Racing Association NPC as at 31 July 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of consolidated annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the consolidated annual financial statements and our auditor's report thereon.

Our opinion on the consolidated annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 72 to 73 does not form part of the consolidated annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

BRF & Co.
Brett Kaye
Partner
Chartered Accountant (S.A.)
Registered Auditor

14 November 2019
Johannesburg

Consolidated and Separate Statements of Financial Position as at 31 July 2019

RACING ASSOCIATION

		Group		Company	
		2019	2018	**2019**	2018
	Notes	**R**	R	**R**	R
Assets					
Non-Current Assets					
Property, plant and equipment	4	1 159 035	1 446 250	1 009 719	1 191 567
Investment property	5	195 770 290	195 800 000	-	-
Intangible assets	6	14 800	-	14 800	-
Investment in subsidiary	7	-	-	100	100
		196 944 125	**197 246 250**	**1 024 619**	**1 191 667**
Current Assets					
Loans to group companies	8	61 918	-	77 394 643	77 332 621
Trade and other receivables	9	11 099 662	6 102 494	11 070 834	6 073 674
Financial assets at fair value through profit or loss	10	57 558 032	91 771 681	57 558 032	91 771 681
Current tax receivable	23	-	64	-	-
Cash and cash equivalents	11	9 074 458	14 536 327	8 787 749	14 099 502
		77 794 070	**112 410 566**	**154 811 258**	**189 277 478**
Total Assets		**274 738 195**	**309 656 816**	**155 835 877**	**190 469 145**
Equity and Liabilities					
Equity					
Retained income		246 137 833	280 930 634	153 792 621	188 708 166
Liabilities					
Non-Current Liabilities					
Deferred tax	12	26 543 155	26 516 154	-	-
Current Liabilities					
Trade and other payables	13	1 511 157	1 540 490	1 497 206	1 091 441
Deferred income	14	546 050	669 538	546 050	669 538
		2 057 207	**2 210 028**	**2 043 256**	**1 760 979**
Total Liabilities		**28 600 362**	**28 726 182**	**2 043 256**	**1 760 979**
Total Equity and Liabilities		**274 738 195**	**309 656 816**	**155 835 877**	**190 469 145**

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

RACING ASSOCIATION

		Group		Company	
		2019	2018	**2019**	2018
	Notes	**R**	R	**R**	R
Revenue	15	13 801 680	16 578 915	13 776 680	16 553 915
Other income	16	507 390	240 000	240 000	240 000
Fair value losses	17	(35 602 530)	(16 346 490)	(35 602 530)	(18 017 563)
Other operating expenses	18	(17 399 981)	(17 947 005)	(17 256 586)	(17 706 618)
Operating loss		**(38 693 441)**	**(17 474 580)**	**(38 842 436)**	**(18 930 266)**
Investment income	19	3 928 329	4 763 144	3 927 415	4 762 261
Finance costs	20	(524)	(342)	(524)	(342)
Loss before taxation		**(34 765 636)**	**(12 711 778)**	**(34 915 545)**	**(14 168 347)**
Taxation	21	(27 165)	(314 259)	-	-
Loss for the year		**(34 792 801)**	**(13 026 037)**	**(34 915 545)**	**(14 168 347)**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**(34 792 801)**	**(13 026 037)**	**(34 915 545)**	**(14 168 347)**

Consolidated and separate Statements of Changes in Equity

RACING ASSOCIATION

	Retained income
	R
Group	
Balance at 01 August 2017	**293 956 671**
Loss for the year	(13 026 037)
Other comprehensive income	-
Total comprehensive loss for the year	**(13 026 037)**
Balance at 01 August 2018	**280 930 634**
Loss for the year	(34 792 801)
Other comprehensive income	-
Total comprehensive loss for the year	**(34 792 801)**
Balance at 31 July 2019	**246 137 833**
Company	
Balance at 01 August 2017	**202 876 513**
Loss for the year	(14 168 347)
Other comprehensive income	-
Total comprehensive loss for the year	**(14 168 347)**
Balance at 01 August 2018	**188 708 166**
Loss for the year	(34 915 545)
Other comprehensive income	-
Total comprehensive loss for the year	**(34 915 545)**
Balance at 31 July 2019	**153 792 621**

Consolidated and separate Statements of Cash Flows

RACING ASSOCIATION

		Group		Company	
		2019	2018	**2019**	2018
	Notes	**R**	R	**R**	R
Cash flows from operating activities					
Cash used in operations	22	(7 930 827)	(2 054 019)	(7 750 083)	(2 382 453)
Interest income	19	1 575 753	1 207 655	1 574 839	1 206 772
Dividends received	19	2 352 576	3 555 489	2 352 576	3 555 489
Finance costs	20	(524)	(342)	(524)	(342)
Tax paid	23	(100)	-	-	-
Net cash (used in) from operating activities		**(4 003 122)**	**2 708 783**	**(3 823 192)**	**2 379 466**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(15 458)	(40 172)	(15 458)	(40 172)
Sale of investment property	5	29 710	-	-	-
Purchase of other intangible assets	6	(22 200)	-	(22 200)	-
Loans advanced to group companies	8	(61 918)	-	(62 022)	(11 800)
Realisation of a portion of financial assets	10	(1 388 881)	3 103 931	(1 388 881)	3 103 931
Net cash from investing activities		**(1 458 747)**	**3 063 759**	**(1 488 561)**	**3 051 959**
Total cash and cash equivalents movement for the year		**(5 461 869)**	**5 772 542**	**(5 311 753)**	**5 431 425**
Cash and cash equivalents at the beginning of the year		14 536 327	8 763 785	14 099 502	8 668 077
Total cash and cash equivalents at end of the year	11	**9 074 458**	**14 536 327**	**8 787 749**	**14 099 502**

RACING ASSOCIATION

CORPORATE INFORMATION

The Racing Association NPC and its subsidiary is a nonprofit company incorporated and domiciled in South Africa.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

Reference to the "group" in these accounting policies refer to the annual financial statements and consolidated annual financial statements, except where stated otherwise.

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These consolidated annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period, except for the adoption of IFRS 9 (Financial instruments) and IFRS 15 (Revenue) which has resulted in more disclosure than would have previously been provided in the consolidated annual financial statements. Refer to note 2 for further details.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all investees which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of defacto control.

Defacto control may arise in circumstances where the size of the groupís voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date control ceases.

Transactions with noncontrolling interests that do not result in loss of control are accounted for as equity transactions ñ that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to noncontrolling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and availableforsale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The carrying value less impairment provision of trade and other receivables, cash and cash equivalents and trade and other payables are assumed to approximate their fair values due to the short term nature of trade and other receivables, cash and cash equivalents and trade and other payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

The recoverable amounts of cashgenerating units and individual assets have been determined based on the higher of valueinuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic factors.

Trade and other receivables and loan to group company

The group assesses its trade and other receivables and loan to group company for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. Refer to note 9 for trade and other receivables considerations.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Residual values and useful lives of assets

Residual values and useful lives of tangible and intangible assets are reassessed on an annual basis. Estimates and judgements in this regard are based on the historical experience and expectations of the manner in which the assets are to be used, together with the expected proceeds likely to be realised when the assets are disposed at the end of their useful lives. Such expectations could change over time and, therefore, impact both the depreciation and amortisation charges and carrying values of tangible and intangible assets in the future.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the groupís past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

1.4 Investment property

The group owns property that is held to earn longterm rental income and for capital appreciation.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value representing the open market value determined annually by external valuers/directors. Fair value is based on active market prices, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	5 6 years
Office equipment	6 years
Trophies	Indefinite
Leasehold improvements	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the group; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every periodend. If the expected pattern of consumption of future economic benefits embodying the asset change, the change is accounted for as a change in accounting estimate. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life
Website design	3 years

1.7 Investment in subsidiary

In the companyís separate annual financial statements, investment in subsidiary is carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.8 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 25 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans to group companies

Classification

Loans to group companies (note 8) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest rate method

Interest income is calculated using the effective interest rate method, and is included in profit or loss in investment income (note 19).

The application of the effective interest rate method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

- If a loan is purchased or originated as creditimpaired, then a creditadjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer creditimpaired.
- If a loan was not purchased or originally creditimpaired, but it has subsequently become creditimpaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forwardlooking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant thinktanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forwardlooking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance, (note 18).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 25).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in operating expenses, (note 18).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, value added taxation and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest rate method

For receivables which contain a significant financing component, interest income is calculated using the effective interest rate method, and is included in profit or loss in investment income (note 19).

The application of the effective interest rate method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as creditimpaired, then a creditadjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer creditimpaired.
- If a receivable was not purchased or originally creditimpaired, but it has subsequently become creditimpaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors,

general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance, (note 18).

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 9) and the financial instruments and risk management note (note 25).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the operating expense line item, (note 18).

Financial assets at fair value which are equity instruments mandatorily at fair value through profit or loss

Classification

Financial assets at fair value through profit or loss are presented in note 10. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Financial assets at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. The financial assets are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those financial assets which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.Financial assets are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 26.

Fair value gains or losses recognised on financial assets at fair value through profit or loss are included in fair value losses (note 17).

Dividends received on financial assets are recognised in profit or loss when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 19).

Impairment

Financial assets at fair value through profit or loss are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of financial assets at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Trade and other payables

Classification

Trade and other payables (note 13), excluding value added taxation and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest rate method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 20).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other shortterm highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently measured at amortised cost.The carrying value of cash and cash equivalents approximate their fair values due to their short term nature.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Financial instruments: IAS 39 comparatives

Financial liabilities are not reclassified.

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss designated
- Loans and receivables
  Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities (or portion thereof) are derecognised when the group's obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the financial liability, including related unamortised costs, and the amount paid for is included in the statement of comprehensive income

Offseting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loan to group company

This includes a loan to a subsidiary and is recognised initially at fair value plus direct transaction costs.

This loan is subsequently measured at amortised cost.

The loan to group company is classified as loans and receivables.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the assetís carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are classified as financial liabilities measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other shortterm highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently measured at amortised cost.

The carrying value of cash and cash equivalents approximate their fair values due to their short term nature.**Fair valuation of financial instruments**

The group uses fair value measurements to record fair value adjustments to certain financial instruments and to determine fair value disclosures. Derivatives are financial instruments recorded at fair value on a recurring basis. Additionally, from time to time, the group may be required to record other financial assets at fair value on a non recurring basis. These non recurring fair value adjustments typically involve application of lower of cost or market accounting or writedowns of individual assets. Information about the extent to which fair value is used to measure assets and liabilities, the valuation methodologies used and its effect on earnings is included in the note "Fair Value Information", (note 26).

1.10 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases lessor

Operating lease income is recognised as an income on a straightline basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straightline basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This asset or liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.12 Deferred income

Deferred income is recognised when payments are received in advance for a service to be delivered in the future. Such payments are not realised as revenue and do not affect the net profit or loss.

1.13 Impairment of nonfinancial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cashgenerating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cashgenerating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.14 Employee benefits

Short-term employee benefits

The cost of shortterm employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and nonmonetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of nonaccumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Membership subscriptions;
- Rental income;
- Nomination and acceptance fees.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Membership subscriptions

The company is an Association and has subscribing members. The company earns revenue through membership fees. The racing season runs from August to July and the fees for the year are recognised once a year in this period. The company invoices itís members for an annual subscription each year.

New members are invoiced when they apply for membership and that revenue is recognised in the period in which they apply. The membership fee is a fixed rate for the year or half a years' membership.

Nomination and acceptance fees

The company earns revenue through nomination and acceptance fees. These nomination and acceptance fees are recognised as revenue in the period in which the horse race is run.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the groupís right to receive payment has been established.

1.16 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

2. CHANGES IN ACCOUNTING POLICIES

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the group's consolidated annual financial statements are described below.

The group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 August 2018. Accordingly, the group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 01 August 2018 and has not applied the requirements to instruments that have already been derecognised as at 01 August 2018. Comparatives in relation to instruments that have not been derecognised as at 01 August 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 August 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entityís business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

The group may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

The directors reviewed and assessed the group's existing financial assets as at 01 August 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the group's financial assets as regards to their classification and measurement:

Debt instruments classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments and interest on the principal amount outstanding.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the group to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 01 August 2018, the directors reviewed and assessed the group's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 01 August 2018.The result of the assessment is as follows:

Group

Items existing on 01 August 2018 that are subject to the impairment provisions of IFRS 9:	Note	Credit risk attributes at 01 August 2018	01 August 2018
Trade and other receivables	9	The group applies the simplified approach and recognises lifetime expected credit losses for these assets.	-
Cash and cash equivalents	11	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions.	-
Total additional loss allowance			**-**

Company

Items existing on 01 August 2018 that are subject to the impairment provisions of IFRS 9:	Note	Credit risk attributes at 01 August 2018	01 August 2018
Loan to group company	8	The company applies the simplified approach and recognises lifetime expected credit losses for these assets.	-
Trade and other receivables	9	The company applies the simplified approach and recognises lifetime expected credit losses for these assets.	-
Cash and cash equivalents	11	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions.	-
Total additional loss allowance			**-**

The additional loss allowance is charged against the respective asset or provision for financial guarantee, except for the investments at fair value through other comprehensive income, the loss allowance for which is recognised against the reserve in equity. The application of the IFRS 9 impairment requirements has resulted in additional loss allowance of R Nil (2018: R Nil) to be recognised in the current year.

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the group's financial liabilities.

Reconciliation of the reclassifications and remeasurements of financial assets as a result of adopting IFRS9

The following table presents a summary of the financial assets as at 01 August 2018. The table reconciles the movement of financial assets from their IAS 39 measurement categories and into their new IFRS 9 measurement categories. "FVPL" denotes "fair value through profit or loss" and "FVOCI" denotes "fair value through other comprehensive income."

Group

	Previous measurement	New measurement category: IFRS 9		
	IAS 39	Amortised cost	Re-measurement changes - Adjustment to equity	Change attributable to:
Previously loans and receivables:				
Cash and cash equivalents	14 536 327	14 536 327	-	Change in measurement attribute
Trade and other receivables	5 924 623	5 924 623	-	Change in measurement attribute
	20 460 950	**20 460 950**	**-**	

Company

	Previous measurement	New measurement category: IFRS 9		
	IAS 39	Amortised cost	Re-measurement changes - Adjustment to equity	Change attributable to:
Previously loans and receivables:				
Cash and cash equivalents	14 099 502	14 099 502	-	Change in measurement attribute
Trade and other receivables	5 895 803	5 895 803	-	Change in measurement attribute
Loan to group company	77 332 621	77 332 621	-	Change in measurement attribute
	97 327 926	**97 327 926**	**-**	

Reconciliation of the reclassifications and remeasurements of financial liabilities as a result of adopting IFRS9

The following table presents a summary of the financial liabilities as at 01 August 2018. The table reconciles the movement of financial liabilities from their IAS 39 measurement categories and into their new IFRS 9 measurement categories. "FVPL" denotes "fair value through profit or loss".

Group

	Previous measurement	New measurement category: IFRS 9		
	IAS 39	Amortised cost	Re-measurement changes - Retained earnings	Change attributable to:
Previously Amortised cost:				
Trade and other payables	736 952	736 952	-	Change in measurement attribute

Company

	Previous measurement	New measurement category: IFRS 9		
	IAS 39	Amortised cost	Re-measurement changes - Retained earnings	Change attributable to:
Previously Amortised cost:				
Trade and other payables	631 841	631 841	-	Change in measurement attribute

Application of IFRS 15 Revenue from contracts with customers

In the current year, the group has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRS's. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue Barter Transactions Involving Advertising Services.

IFRS 15 introduces a 5 step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the group consolidated annual financial statements are described below. Refer to the revenue accounting policy for additional details.

The group has applied IFRS 15 with an initial date of application of 01 August 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 01 August 2018. The comparative information has therefore not been restated. There has been no impact on profit or loss, assets, liabilities and equity due to the application of IFRS 15.

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 40: Transfers of Investment Property

The amendment deals specifically with circumstances under which property must be transferred to or from investment property. The amendment now requires that a change in use of property only occurs when the property first meets, or ceases to meet, the definition of investment property and that there is evidence of a change in use. The amendment specifies that a change in management's intentions for use of the property, do not, in isolation, provide evidence of a change in use.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 consolidated annual financial statements.

The impact of the amendment is not material.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 consolidated annual financial statements.

The impact of this ammendment is set out in note 2 Changes in Accounting Policies.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 consolidated annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policies.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 consolidated annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policies.

3.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the groupís accounting periods beginning on or after 01 August 2019 or later periods:

Amendments to IAS 1: Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of ëmaterialí and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group expects to adopt the amendment for the first time in the 2021 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated annual financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The group expects to adopt the interpretation for the first time in the 2020 consolidated annual financial statements.

It is unlikely that the interpretation will have a material impact on the group's consolidated annual financial statements.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right of use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right of use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right of use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re measurement of the lease liability. However, right of use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right of use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right of use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re measured for reassessments or modifications.
- Re measurements of lease liabilities are affected against right of use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.

- The lease liability is re measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

- The lease liability is re measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re measures the lease liability by making a corresponding adjustment to the right of use asset.

- Right of use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right of use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.

- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.

- If the transfer meets the requirements to be recognised as a sale, the seller lessee must measure the new right of use asset at the proportion of the previous carrying amount of the asset that relates to the right of use retained. The buyer lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16

- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 consolidated annual financial statements.

The impact of this standard is currently being assessed by management.

Amendments to IFRS 9 - Financial instruments

The narrow scope amendment covers two issues:

- The amendments allow companies to measure particular prepayable financial assets with so called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial services entities

- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have renegotiated borrowings.

The effective date of the amendment is for years beginning on or after 01 January 2019.

The group expects to adopt the amendment for the first time in the 2020 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated annual financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Group	2019			2018		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	836 668	(682 977)	153 691	836 668	(575 965)	260 703
Office equipment	1 355 107	(1 344 783)	10 324	1 339 651	(1 321 239)	18 412
Leasehold improvements	6 224 956	(6 164 936)	60 020	6 224 956	(5 992 821)	232 135
Trophies	935 000	-	935 000	935 000	-	935 000
Total	**9 351 731**	**(8 192 696)**	**1 159 035**	**9 336 275**	**(7 890 025)**	**1 446 250**

Company	2019			2018		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	309 830	(305 455)	4 375	309 830	(303 810)	6 020
Office equipment	1 355 107	(1 344 783)	10 324	1 339 651	(1 321 239)	18 412
Leasehold improvements	6 224 956	(6 164 936)	60 020	6 224 956	(5 992 821)	232 135
Trophies	935 000	-	935 000	935 000	-	935 000
Total	**8 824 893**	**(7 815 174)**	**1 009 719**	**8 809 437**	**(7 617 870)**	**1 191 567**

RACING ASSOCIATION

Reconciliation of property, plant and equipment - Group - 2019

	Opening balance R	Additions R	Depreciation R	Closing balance R
Furniture and fixtures	260 703	-	(107 012)	153 691
Office equipment	18 412	15 458	(23 546)	10 324
Leasehold improvements	232 135	-	(172 115)	60 020
Trophies	935 000	-	-	935 000
	1 446 250	**15 458**	**(302 673)**	**1 159 035**

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance R	Additions R	Depreciation R	Closing balance R
Furniture and fixtures	369 891	995	(110 183)	260 703
Office equipment	42 002	39 177	(62 767)	18 412
Leasehold improvements	762 408	-	(530 273)	232 135
Trophies	935 000	-	-	935 000
	2 109 301	**40 172**	**(703 223)**	**1 446 250**

Reconciliation of property, plant and equipment - Company - 2019

	Opening balance R	Additions R	Depreciation R	Closing balance R
Furniture and fixtures	6 020	-	(1 645)	4 375
Office equipment	18 412	15 458	(23 546)	10 324
Leasehold improvements	232 135	-	(172 115)	60 020
Trophies	935 000	-	-	935 000
	1 191 567	**15 458**	**(197 306)**	**1 009 719**

Reconciliation of property, plant and equipment - Company - 2018

	Opening balance R	Additions R	Depreciation R	Closing balance R
Furniture and fixtures	9 840	995	(4 815)	6 020
Office equipment	42 002	39 177	(62 767)	18 412
Leasehold improvements	762 408	-	(530 273)	232 135
Trophies	935 000	-	-	935 000
	1 749 250	**40 172**	**(597 855)**	**1 191 567**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the group.

5. INVESTMENT PROPERTY

Group	2019			2018		
	Valuation R	Accumulated depreciation R	Carrying value R	Valuation R	Accumulated depreciation R	Carrying value R
Investment property	195 770 290	-	195 770 290	195 800 000	-	195 800 000

Reconciliation of investment property - Group - 2019

	Opening balance R	Disposals R	Closing balance R
Investment property	195 800 000	(29 710)	195 770 290

Reconciliation of investment property - Group - 2018

	Opening balance R	Fair value adjustments R	Closing balance R
Investment property	194 128 927	1 671 073	195 800 000

Details of property

Portions 357 and 359 of the farm Randjesfontein 405 and Portion 106 Olievenhoutbosch 389, Old Pretoria Road, Midrand.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the group.

Details of valuation

Valuations were performed at 31 July 2018 by an independent valuer, Haacke Associates, on the basis of open market value.

6. INTANGIBLE ASSETS

Group	2019			2018		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Website design	105 449	(90 649)	14 800	83 249	(83 249)	-

Company	2019			2018		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Website design	105 449	(90 649)	14 800	83 249	(83 249)	-

Reconciliation of intangible assets - Group - 2019

	Opening balance R	Additions R	Amortisation R	Closing balance R
Website design	-	22 200	(7 400)	14 800

Reconciliation of intangible assets - Company - 2019

	Opening balance R	Additions R	Amortisation R	Closing balance R
Website design	-	22 200	(7 400)	14 800

7. INVESTMENT IN SUBSIDIARY

Company

Name of company	% holding 2019	% holding 2018	Carrying amount 2019 R	Carrying amount 2018 R
Randjesfontein Training Centre Proprietary Limited	100,00%	100,00%	100	100

The company holds 100 shares in Randjesfontein Training Centre Proprietary Limited, a company which holds investment property. The company is incorporated in South Africa and has a 31 July year end.

The carrying amount of the subsidiary is shown net of impairment losses.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

8. LOANS TO GROUP COMPANIES

Subsidiary				
Randjesfontein Training Centre Proprietary Limited	-	-	77 332 725	77 332 621
Associated company				
The Thoroughbred Horseracing Trust	61 918	-	61 918	-

These loans are unsecured, bear no interest and have no fixed terms of repayment.

Exposure to credit risk

Refer to note 25 Financial instruments and risk management for details of credit rate risk management for the loans to group companies.

9. TRADE AND OTHER RECEIVABLES

Financial instruments:				
Trade receivables	10 864 544	5 924 623	10 835 716	5 895 803
Non-financial instruments:				
VAT	6 566	-	6 566	-
Staff loan	2 000	-	2 000	-
Prepayments	226 552	177 871	226 552	177 871
Total trade and other receivables	**11 099 662**	**6 102 494**	**11 070 834**	**6 073 674**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	10 864 544	5 924 623	10 835 716	5 895 803
Non-financial instruments	235 118	177 871	235 118	177 871
	11 099 662	**6 102 494**	**11 070 834**	**6 073 674**

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The average credit period on trade receivables is 30 days (2018: 30 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2019	2019	2018	2018
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 0% (2018: 0%)	720 494	-	691 836	-
Less than 30 days past due: 0% (2018: 0%)	1 734 100	-	-	-
31 - 60 days past due: 0% (2018: 0%)	296 973	-	229 259	-
61 - 90 days past due: 0% (2018: 0%)	2 748 557	-	530 964	-
91 - 120 days past due: 0% (2018: 0%)	5 364 420	-	4 472 564	-
Total	**10 864 544**	**-**	**5 924 623**	**-**

Company	2019	2019	2018	2018
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 0% (2018: 0%)	691 666	-	663 016	-
Less than 30 days past due: 0% (2018: 0%)	1 734 100	-	-	-
31 - 60 days past due: 0% (2018: 0%)	296 973	-	229 259	-
61 - 90 days past due: 0% (2018: 0%)	2 748 557	-	530 964	-
91 - 120 days past due: 0% (2018: 0%)	5 364 420	-	4 472 564	-
Total	**10 835 716**	**-**	**5 895 803**	**-**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance in accordance with IAS 39 Financial Instruments: Recognition and Measurement	-	-	-	-
Opening balance in accordance with IFRS 9	**-**	**(31 784)**	**-**	**-**
Amounts written off as uncollectable	-	31 784	-	-
Closing balance	**-**	**-**	**-**	**-**

Credit risk disclosures for comparatives under IAS 39

The following sections provide comparative information for trade and other receivables which have not been restated. The information is provided in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Fully performing trade receivables

At 31 July 2018 R 691 836 trade receivables for the group and R 663 016 for the company were fully performing.

Trade receivables past due but not impaired

Trade receivables which are less than 3 months past due are not considered to be impaired. At 31 July 2018, R 5 232 787 for group and R 5 232 787 for company were past due but not impaired.

1 month past due	229 259		229 259
2 months past due	530 964		530 964
3 months and longer past due	4 472 564		4 472 564
	5 232 787		**5 232 787**

Trade receivables impaired

As of 31 July 2018, trade receivables of R Nil for group and R Nil for company were impaired and provided for.

The amount of the provision was R Nil as of 31 July 2018 for group and R Nil for company.

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
Reconciliation of provision for impairment of trade receivables				
Opening balance		31 784		-
Amounts written off as uncollectable		(31 784)		-
Closing balance		**-**		**-**

The other classes within trade and other receivables do not contain impaired assets.

The creation and release of provision for impaired receivables have been included in other operating expenses in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

RACING ASSOCIATION

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At fair value through profit or loss - designated				
Listed shares				
Shares in Phumelela Gaming and Leisure Limited at market value as at year end.	5 902 968	41 320 776	5 902 968	41 320 776
Unit trusts				
Unit trusts are held with Coronation Fund Managers and Foord Unit Trusts Limited.	51 655 064	50 450 905	51 655 064	50 450 905
	57 558 032	**91 771 681**	**57 558 032**	**91 771 681**

Current assets				
Designated as at fair value through profit (loss)	57 558 032	91 771 681	57 558 032	91 771 681

Reconciliation of carrying amount

Listed shares				
Opening balance	41 320 776	107 654 644	41 320 776	107 654 644
Interest received	6 470	364 976	6 470	364 976
Dividends received	1 829 920	3 305 662	1 829 920	3 305 662
Fair value adjustment through profit or loss	(35 417 808)	(17 676 245)	(35 417 808)	(17 676 245)
Disinvestment	-	(52 213 098)	-	(52 213 098)
Withdrawal	(1 800 000)	-	(1 800 000)	-
Fees	(1 653)	(62 727)	(1 653)	(62 727)
Transfer of trading account to cash and cash equivalents	(34 737)	(52 436)	(34 737)	(52 436)
	5 902 968	**41 320 776**	**5 902 968**	**41 320 776**

Unit trusts				
Opening balance	50 450 905	5 238 531	50 450 905	5 238 531
Additions	-	45 000 000	-	45 000 000
Dividends received	522 656	249 827	522 656	249 827
Fair value adjustment through profit or loss	(184 722)	(341 318)	(184 722)	(341 318)
Interest received	866 225	303 865	866 225	303 865
	51 655 064	**50 450 905**	**51 655 064**	**50 450 905**
	57 558 032	**91 771 681**	**57 558 032**	**91 771 681**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:				
Cash on hand	18 000	18 000	18 000	18 000
Bank balances	9 056 458	14 518 327	8 769 749	14 081 502
	9 074 458	**14 536 327**	**8 787 749**	**14 099 502**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
BB+	9 056 458	14 518 327	8 769 749	14 081 502

Exposure to credit risk

Refer to note 25 Financial instruments and risk management for details of credit risk management for cash and cash equivalents.

Exposure to interest rate risk

Refer to note 25 Financial instruments and risk management for details of interest rate risk management for cash and cash equivalents.

12. DEFERRED TAX

Deferred tax liability				
Investment property	(26 626 343)	(26 637 424)	-	-
Total deferred tax liability	**(26 626 343)**	**(26 637 424)**	**-**	**-**

Deferred tax asset				
Assessed loss	-	38 082	-	-
Income received in advance	83 188	83 188	-	-
Total deferred tax asset	**83 188**	**121 270**	**-**	**-**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

The deferred tax asset and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(26 626 343)	(26 637 424)	-	-
Deferred tax asset	83 188	121 270	-	-
Total net deferred tax liability	**(26 543 155)**	**(26 516 154)**	**-**	**-**

Reconciliation of deferred tax liability

At beginning of year	(26 516 154)	(26 201 895)	-	-
Charged to statement of profit or loss and other comprehensive income	(27 001)	(314 259)	-	-
	(26 543 155)	**(26 516 154)**	**-**	**-**

Ageing
The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets				
Deferred tax assets to be recovered after more than 12 months	-	-	-	-
Deferred tax assets to be recovered within 12 months	83 188	121 270	-	-
Deferred tax liabilities				
Deferred tax liabilities to be recovered after more than 12 months	(26 626 343)	(26 637 424)	-	-
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	(26 543 155)	**(26 516 154)**	**-**	**-**

13. TRADE AND OTHER PAYABLES

Financial instruments:				
Trade payables	664 293	109 046	663 833	108 615
Accrued audit fees	135 685	135 190	125 510	125 510
Other payables	472 254	492 716	472 254	397 716
Non-financial instruments:				
Amounts received in advance	235 609	558 475	235 609	261 375
Value added taxation	3 316	245 063	-	198 225
	1 511 157	**1 540 490**	**1 497 206**	**1 091 441**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

Categorisation of trade and other payables

Trade and other payables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1 272 232	736 952	1 261 597	631 841
Non-financial instruments	238 925	803 538	235 609	459 600
	1 511 157	**1 540 490**	**1 497 206**	**1 091 441**

Exposure to liquidity risk

Refer to note 25 Financial instruments and risk management for details of liquidity risk management for trade and other payables.

14. DEFERRED INCOME

Membership fees are invoiced annually in advance during the month of June, giving rise to deferred income.

15. REVENUE

Revenue from contracts with customers				
Membership subscriptions, nomination and acceptance fees	13 776 680	16 553 915	13 776 680	16 553 915
Revenue other than from contracts with customers				
Rental income	25 000	25 000	-	-
	13 801 680	**16 578 915**	**13 776 680**	**16 553 915**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Rendering of services				
Membership subscriptions	1 160 248	1 238 490	1 160 248	1 238 490
Nomination and acceptance fees	12 616 432	15 315 425	12 616 432	15 315 425
	13 776 680	**16 553 915**	**13 776 680**	**16 553 915**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
Timing of revenue recognition				
Over time				
Rendering of services	13 776 680	16 553 915	13 776 680	16 553 915
Total revenue from contracts with customers	**13 776 680**	**16 553 915**	**13 776 680**	**16 553 915**

There are no performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

16. OTHER INCOME

Administration fees	240 000	240 000	240 000	240 000
Sale of servitude	267 390	-	-	-
	507 390	**240 000**	**240 000**	**240 000**

17. FAIR VALUE LOSSES

Fair value (losses) gains				
Investment property	-	1 671 073	-	-
Financial assets designated as at fair value through profit or loss	(35 602 530)	(18 017 563)	(35 602 530)	(18 017 563)
	(35 602 530)	**(16 346 490)**	**(35 602 530)**	**(18 017 563)**

18. EXPENSES BY NATURE

Administration and management fees	433 292	465 279	433 292	465 279
Advertising and marketing	1 817 292	1 714 645	1 817 292	1 714 645
Amortisation	7 400	-	7 400	-
Auditors' remuneration	151 595	159 395	141 850	149 660
Depreciation	302 673	703 223	197 306	597 855
Eastern Cape Chapter	971 146	873 143	971 146	873 143
Employee costs	6 422 658	5 941 455	6 422 658	5 941 455
Equine Health Fund - Contributions	1 000 000	921 750	1 000 000	921 750
Northern Cape Chapter	165 898	181 527	165 898	181 527
Other expenses	4 005 249	4 263 336	3 976 966	4 233 052
RTA Benevolent Fund contributions	510 106	399 559	510 106	399 559
Valuation fees	-	95 000	-	-
Website	271 695	625 123	271 695	625 123
Western Cape Chapter	1 340 977	1 603 570	1 340 977	1 603 570
Total operating expenses	**17 399 981**	**17 947 005**	**17 256 586**	**17 706 618**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

19. INVESTMENT INCOME

Dividend income				
Listed financial assets	1 829 920	3 305 662	1 829 920	3 305 662
Unit trusts	522 656	249 827	522 656	249 827
Total dividend income	**2 352 576**	**3 555 489**	**2 352 576**	**3 555 489**
Interest income				
Investments in financial assets:				
Bank	703 058	538 814	702 144	537 931
Listed financial assets	6 470	364 976	6 470	364 976
Unit trusts	866 225	303 865	866 225	303 865
Total interest income	**1 575 753**	**1 207 655**	**1 574 839**	**1 206 772**
Total investment income	**3 928 329**	**4 763 144**	**3 927 415**	**4 762 261**

20. FINANCE COSTS

Bank	524	342	524	342

21. TAXATION

Major components of the tax income

Current				
Local income tax - current period	164	-	-	-
Deferred				
Originating and reversing temporary differences	27 001	314 259	-	-
	27 165	**314 259**	**-**	**-**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

Reconciliation of the tax income

Reconciliation between accounting loss and tax income.

Accounting loss	(34 765 636)	(12 711 778)	(34 915 545)	(14 168 347)
Tax at the applicable tax rate of 28% (2018: 28%)	(9 734 378)	(3 559 298)	(9 776 353)	(3 967 137)
Tax effect of adjustments on taxable income				
Exempt operations	9 776 353	3 873 557	9 776 353	3 967 137
Sale of asset	(14 810)	-	-	-
	27 165	**314 259**	**-**	**-**

22. CASH USED IN OPERATIONS

Loss before taxation	(34 765 636)	(12 711 778)	(34 915 545)	(14 168 347)
Adjustments for:				
Depreciation and amortisation	310 073	703 223	204 706	597 855
Dividend income	(2 352 576)	(3 555 489)	(2 352 576)	(3 555 489)
Interest income	(1 575 753)	(1 207 655)	(1 574 839)	(1 206 772)
Finance costs	524	342	524	342
Fair value adjustments	35 602 530	16 346 490	35 602 530	18 017 563
Changes in working capital:				
Trade and other receivables	(4 997 168)	91 590	(4 997 160)	91 831
Trade and other payables	(29 333)	(1 543 113)	405 765	(1 981 807)
Deferred income	(123 488)	(177 629)	(123 488)	(177 629)
	(7 930 827)	**(2 054 019)**	**(7 750 083)**	**(2 382 453)**

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

23. TAX PAID

Balance at beginning of the year	64	64	-	-
Current tax for the year recognised in profit or loss	(164)	-	-	-
Balance at end of the year	-	(64)	-	-
	(100)	**-**	**-**	**-**

24. RELATED PARTIES

Relationships

Subsidiary	Randjesfontein Training Centre Proprietary Limited
Associated companies	Phumelela Gaming and Leisure Limited Kenilworth Racing Proprietary Limited The Thoroughbred Horseracing Trust
Directors	MF de Kock ME Leaf GW Paddock CH Savage W Smith LA Wainstein LMF Wernars

Related party balances

Loan accounts - Owing (to) by related parties

Randjesfontein Training Centre Proprietary Limited	-	-	77 332 725	77 332 621

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R

Refer to note 8 for terms of the loan.

Amounts included in trade receivables regarding related parties

Phumelela Gaming and Leisure Limited	410 622	462 120	381 872	433 370
Kenilworth Racing Proprietary Limited	9 298 533	3 876 776	9 298 533	3 876 776
	9 709 155	**4 338 896**	**9 680 405**	**4 310 146**

Amounts included in trade payables regarding related parties

Kenilworth Racing Proprietary Limited	(355 612)	(142 041)	(355 612)	(142 041)
Phumelela Gaming and Leisure Limited	(177 738)	-	(177 738)	-
	(533 350)	**(142 041)**	**(533 350)**	**(142 041)**

The above amounts are unsecured, interest free and repayable on demand.

Related party transactions

Rent received from related parties

Phumelela Gaming and Leisure Limited	(25 000)	(25 000)	-	-

Rent paid to related parties

Phumelela Gaming and Leisure Limited	66 013	61 124	66 013	61 124
Kenilworth Racing Proprietary Limited	69 504	-	69 504	-
	135 517	**61 124**	**135 517**	**61 124**

Administration fees received from related parties

The Thoroughbred Horseracing Trust	(240 000)	(240 000)	(240 000)	(240 000)

Administration fees paid to related parties

Kenilworth Racing Proprietary Limited	432 742	461 935	432 742	461 935

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

Group - 2019

	Notes	Fair value through profit or loss - Designated	Amortised cost	Fair value
Trade and other receivables	9	-	10 864 544	10 864 544
Financial assets at fair value through profit or loss	10	57 558 032	-	57 558 032
Loans to group companies	8	-	61 918	-
Cash and cash equivalents	11	-	9 074 458	9 074 458
		57 558 032	**20 000 920**	**77 497 034**

Group - 2018 - IAS 39 comparatives

	Notes	Fair value through profit or loss - Designated	Loans and receivables	Total
Trade and other receivables	9	-	5 924 623	5 924 623
Financial assets at fair value through profit or loss	10	91 771 681	-	91 771 681
Cash and cash equivalents	11	-	14 536 327	14 536 327
		91 771 681	**20 460 950**	**112 232 631**

Company - 2019

	Notes	Fair value through profit or loss - Designated	Amortised cost	Fair value
Loans to group companies	8	-	77 394 643	-
Trade and other receivables	9	-	10 835 716	10 835 716
Financial assets at fair value through profit or loss	10	57 558 032	-	57 558 032
Cash and cash equivalents	11	-	8 787 749	8 787 749
		57 558 032	**97 018 108**	**77 181 497**

Company - 2018 - IAS 39 comparatives

	Notes	Fair value through profit or loss - Designated	Loans and receivables	Total
Loans to group companies	8	-	77 332 621	77 332 621
Trade and other receivables	9	-	5 895 803	5 895 803
Financial assets at fair value through profit or loss	10	91 771 681	-	91 771 681
Cash and cash equivalents	11	-	14 099 502	14 099 502
		91 771 681	**97 327 926**	**189 099 607**

Categories of financial liabilities

Group - 2019

	Note	Amortised cost	Fair value
Trade and other payables	13	1 272 232	1 272 232

Group - 2018 - IAS 39 comparative

	Note	Financial liabilities at amortised cost	Total
Trade and other payables	13	736 952	736 952

Company - 2019

	Note	Amortised cost	Fair value
Trade and other payables	13	1 261 597	1 261 597

Company - 2018 - IAS 39 comparative

	Note	Financial liabilities at amortised cost	Total
Trade and other payables	13	631 841	631 841

Capital risk management

The group's objective when managing capital (which includes borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. Risk management is carried out by a central treasury department under policies approved by the board. The board provides written principles for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from loans to group companies, trade and other receivables, cash and cash equivalents and financial assets at fair value through profit or loss. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non performance by these counterparties.

The maximum exposure to credit risk is presented in the table below:

Group		2019			2018		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	8	61 918	-	61 918	-	-	-
Trade and other receivables	9	10 864 544	-	10 864 544	5 924 623	-	5 924 623
Financial assets at fair value through profit or loss	10	57 558 032	-	57 558 032	91 771 681	-	91 771 681
Cash and cash equivalents (excludes cash on hand not subject to credit risk)	11	9 056 458	-	9 056 458	14 518 327	-	14 518 327
		77 540 952	**-**	**77 540 952**	**112 214 631**	**-**	**112 214 631**

Company		2019			2018		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	8	77 394 643	-	77 394 643	77 332 621	-	77 332 621
Trade and other receivables	9	10 835 716	-	10 835 716	5 895 803	-	5 895 803
Financial assets at fair value through profit or loss	10	57 558 032	-	57 558 032	91 771 681	-	91 771 681
Cash and cash equivalents (excludes cash on hand not subject to credit risk)	11	8 769 749	-	8 769 749	14 081 502	-	14 081 502
		154 558 140	**-**	**154 558 140**	**189 081 607**	**-**	**189 081 607**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The groupís risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasting is performed in the operating entities of the group in and aggregated by group finance. Group finance monitors rolling forecasts of the groupís liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the groupís debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements ñ for example, currency restrictions.

The maturity profile of contractual cash flows of non derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2019

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	13	1 272 232	1 272 232	1 272 232

Group - 2018

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	13	736 952	736 952	736 952

Company - 2019

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	13	1 261 597	1 261 597	1 261 597

Company - 2018

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	13	631 841	631 841	631 841

Foreign currency risk

The group is not exposed to foreign exchange risk, as the group does not have any monetary assets or liabilities in currencies other than the group's functional currency.

Interest rate risk

The company's interest rate risk arises from favourable bank balances.

Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Group		**2019**	**2018**	**2019**	**2018**
Variable rate instruments:					
Assets					
Cash and cash equivalents	11	- %	- %	9 056 458	14 518 327
Variable rate financial assets as a percentage of total interest bearing financial assets				100,00%	100,00%

	Note	Average effective interest rate		Carrying amount	
Company		**2019**	**2018**	**2019**	**2018**
Variable rate instruments:					
Assets					
Cash and cash equivalents	11	- %	- %	8 769 749	14 081 502
Variable rate financial assets as a percentage of total interest bearing financial assets				100,00%	100,00%

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	2019	2019	2018	2018
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents 1% (2018: 1%)	90 565	(90 565)	145 183	(145 183)

Company	2019	2019	2018	2018
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents 1% (2018: 1%)	87 697	(87 697)	140 815	(140 815)

Price risk

The company is not exposed to equity securities price risk because there are no investments held by the company and classified on the statement of financial position either as available for sale or at fair value through profit or loss.

26. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Recurring fair value measurements

Assets	Note				
Financial assets designated at fair value through profit / (loss)	10				
Listed shares		57 558 032	91 771 681	57 558 032	91 771 681
Total		**57 558 032**	**91 771 681**	**57 558 032**	**91 771 681**

Fair value estimation

The carrying value less impairment provision of trade and other receivables, cash and cash equivalents and trade and other payables are assumed to approximate their fair values due to the short term nature of trade and other receivables, cash and cash equivalents and trade and other payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

27. GOING CONCERN

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

28. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

29. DIRECTORS' EMOLUMENTS

Executive

2019

	Emoluments	Other benefits	Total
LA Wainstein	3 116 273	-	3 116 273

2018

	Emoluments	Other benefits	Total
LA Wainstein	2 944 854	-	2 944 854

Non-executive

2019

	Directors' fees	Total
ME Leaf	41 625	41 625
MK Naidoo	17 475	17 475
GW Paddock	41 400	41 400
JJ Snaith	19 275	19 275
W Smith	10 950	10 950
	130 725	**130 725**

2018

	Directors' fees	Total
WCG Miller	15 000	15 000
MK Naidoo	36 000	36 000
GW Paddock	37 800	37 800
JJ Snaith	11 925	11 925
	100 725	**100 725**

No emoluments were paid to any other directors during the year.

Detailed Income Statement

RACING ASSOCIATION

	Group		Company	
	2019	2018	**2019**	2018
	R	R	**R**	R
Revenue				
Membership subscriptions	1 160 248	1 238 490	1 160 248	1 238 490
Nomination and acceptance fees	12 616 432	15 315 425	12 616 432	15 315 425
Rental income	25 000	25 000	-	-
	13 801 680	**16 578 915**	**13 776 680**	**16 553 915**
Other operating income				
Administration fees	240 000	240 000	240 000	240 000
Sale of servitude	267 390	-	-	-
	507 390	**240 000**	**240 000**	**240 000**
Other operating losses				
Fair value losses	(35 602 530)	(16 346 490)	(35 602 530)	(18 017 563)
Expenses (Refer to page 73)	**(17 399 981)**	**(17 947 005)**	**(17 256 586)**	**(17 706 618)**
Operating loss	**(38 693 441)**	**(17 474 580)**	**(38 842 436)**	**(18 930 266)**
Investment income	3 928 329	4 763 144	3 927 415	4 762 261
Finance costs	(524)	(342)	(524)	(342)
Loss before taxation	**(34 765 636)**	**(12 711 778)**	**(34 915 545)**	**(14 168 347)**
Taxation	(27 165)	(314 259)	-	-
Loss for the year	**(34 792 801)**	**(13 026 037)**	**(34 915 545)**	**(14 168 347)**

Other Operating Expenses

RACING ASSOCIATION

Other operating expenses

Administration and management fees	433 292	465 279	433 292	465 279
Advertising and marketing	1 817 292	1 714 645	1 817 292	1 714 645
Amortisation	7 400	-	7 400	-
Annual awards dinners	183 601	161 834	183 601	161 834
Annual general meeting	13 058	9 352	13 058	9 352
Auditors' remuneration	151 595	159 395	141 850	149 660
Bad debts	-	278 895	-	278 895
Bank charges	76 185	71 149	74 418	69 559
Brokerage fees	1 103	59 384	1 103	59 384
Consulting fees	35 000	-	35 000	-
Depreciation	302 673	703 223	197 306	597 855
Donations	144 974	116 802	144 974	116 802
Eastern Cape Chapter	971 146	873 143	971 146	873 143
Election cost	16 729	3 500	16 729	3 500
Employee costs	6 422 658	5 941 455	6 422 658	5 941 455
Entertainment	13 239	7 160	13 239	7 160
Equine Health Fund - Contributions	1 000 000	921 750	1 000 000	921 750
General expenses	72 629	58 237	72 525	58 237
Insurance	47 364	43 250	47 364	43 250
Lease rentals on operating lease	153 730	141 167	153 730	141 167
Legal fees	1 918	62 925	-	62 925
Membership services	2 000 705	1 763 781	2 000 705	1 763 781
National Horse Trust - Contribution	375 000	366 000	375 000	366 000
Northern Cape Chapter	165 898	181 527	165 898	181 527
Printing and stationery	24 366	19 574	24 366	19 574
Professional fees	24 930	9 350	12 705	4 725
RTA benevolent fund contributions	510 106	399 559	510 106	399 559
Refreshments	52 313	39 708	52 313	39 708
Repairs and maintenance	274 033	300 751	261 764	276 682
SA Equine Trade Council	-	120 000	-	120 000
Secretarial fees	5 950	11 235	5 950	11 235
Security	-	37 490	-	37 490
Telephone, postage and courier	136 249	146 570	136 249	146 570
Travelling	306 662	363 201	306 662	363 201
Trophies	45 511	72 021	45 511	72 021
Valuation fees	-	95 000	-	-
Website	271 695	625 123	271 695	625 123
Western Cape Chapter	1 340 977	1 603 570	1 340 977	1 603 570
	17 399 981	**17 947 005**	**17 256 586**	**17 706 618**

Proxy Form

RACING ASSOCIATION

ANNUAL GENERAL MEETING OF THE MEMBERS OF THE RACING ASSOCIATION NPC TO BE HELD ON MONDAY 10 FEBRUARY 2020 AT 18H00 AT KENILWORTH RACECOURSE. A VIDEO LINK WILL BE ARRANGED SIMULTANEOUSLY IN THE CENTENARY ROOM, TURFFONTEIN RACECOURSE, JOHANNESBURG

I (full name)

_____

Of (Address)

_____

being a Member of the Racing Association NPC hereby appoint

_____

(Please fill in the name of a member who you know will be present at the AGM or alternatively, nominate "The Chairman")

As my proxy to vote for me and on my behalf at the annual general meeting of the Racing Association to be held on the Monday 10 February 2020 and at any adjournment thereof as follows:

Mark Applicable box with an X

	Yes	No	Abstain
1. To confirm the Minutes of the twentieth Annual General Meeting held on Tuesday 11th December 2018	☐	☐	☐
2. To consider the audited financial statements for the financial year ended 31 July 2019, including the Directors' report and the report of the auditors' thereon	☐	☐	☐
3. To authorise the directors to determine the Auditors remuneration for the past year and to appoint auditors for the coming year.	☐	☐	☐
4. To approve special Resolution 1: Members are requested to condone the late calling and holding of the AGM as required by Clause 13.3 of the MOI	☐	☐	☐

_____ Signature

_____ Date

Note:

In terms of the Memorandum of Incorporation of the Racing Association NPC:

1. A Member entitled to attend and vote at a General Meeting shall be entitled to appoint 1 (one) person as his proxy to attend, speak and vote at a General Meeting on his behalf.
2. A proxy must be a Member in good standing.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited or delivered by electronic mail to the address indicated on the form appointing the proxy, or delivered by any other format which the Directors may approve, at the office at any time before the commencement of the Annual General Meeting.
4. E-mail to: natalie@racingassociation.co.za or by hand to The Racing Association, 14 Turf Club Street, Turffontein, Johannesburg.

RACING ASSOCIATION