



TODAY

July
2021

NEWSLETTER

From the desk of the CEO



Welcome to the July edition of RA Today. This is the final newsletter of our current season and as the country has moved to Covid-19 adjusted alert level 3 I am delighted to be able to invite Owners back to our racecourses. Please note that space is still limited and I urge all members to book before attending any of our facilities in order to secure a table. Kindly turn to page 8 for booking information in all our centres.

Saturday the 31st of July sees the 101st running of the Marshalls World of Sport Gold Cup (G3) run over 3200m. This race day is once again part of The Hong Kong Jockey Club World Pool events and I encourage members, if they choose to take a bet, to try their luck on the Tote. This special day also features the Thekwini Stakes (G1), the Premiers Champion Stakes (G1), the Mercury Sprint (G1), the HKJC World Pool Champions Cup (G1), the Prosport International Debutante (G2), the Epol Umkhomazi Stakes (G2) and the Kuda Gold Bracelet (G2) over 2000m.

The feature raceday at Hollywood Bets Greyville on Saturday is the culmination of our racing season with many potential

Equus champions in action on the day. The run in to the end of the season has become very exciting and we believe many of the categories will come down to the wire and will only be decided after the very last race run on the day. Our annual Equus Awards has had a makeover this year. We have taken a fresh new approach and the broadcast will be screened at 8pm on Tuesday, August 17th. Turn to page 2 for more information on this year's prestigious awards ceremony.

Negotiations with the Business Rescue Practitioner and Phumelela with regards to Stakes continue on a regular basis. Recent circumstances including the unrest in Gauteng and KZN as well as Level 4 restrictions have reduced revenues making stakes increases unlikely in the short term. We are sensitive to certain realities but we will continue to engage and communicate progress to members on a regular basis.

Invoices for the new season have been sent out to members and the due date to renew your membership for the upcoming 2021/2022 season is 31 August 2021. Our office will send statements and reminders out in the coming weeks. We have new benefit to members that will be announced shortly so please keep an eye on your inbox.

A notice to members will be distributed in mid-August, calling for nominations as director to the RA Board. The details of vacancies from each region will be included in the relevant correspondence.

It is with regret that I announce the resignation of Brian Riley as Chairman and director of The Racing Association. Brian has been an invaluable member of the Board and has led the RA through some of the most tumultuous times in racing in South Africa. Not only has he provided insight and guidance to the RA but also to the industry as a whole. We wish him the very best for the future. I'm pleased to announce that Peter Riskowitz has been appointed acting Chairman in the interim. Peter has been an active board member since September 2020.

In closing I want to thank all participants in the racing industry for their tireless work and support throughout a very difficult season. Each and every person has contributed enormously to enable us to continue to race day in and day out and we at the RA are extremely grateful.

Natalie Turner, CEO

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EQUUS Awards 2021

The Equus Awards is the “Oscars” of the Horse racing industry. It is an opportunity to honour the outstanding achievements in the various equine and human categories for the respective racing season.

A panel of judges decide the winners in the equine categories and the statistics from the NHRA largely determine the human awards.

The Equus Awards is all about glitz and glamour and historically it has been celebrated as a formal black-tie event, held during the month of August after the conclusion of the racing season on 31 July each year. Over the past two years, due to the Covid-19 pandemic, the awards have been broadcast as a virtual event. This however has not diminished the honour and prestige that comes with winning such an esteemed award.

The Awards include equine categories, breeders’ awards and human awards. The highlight of the event is the announcement of Champion Horse of the Year.

The Equus Awards organising committee which includes representatives of the Racing Association, The Thoroughbred

Breeders Association, Cape Racing, Gold Circle and Phumelela has started preparing for this year’s Equus Awards to honour the champions of the turf.

The judges’ panel comprises Graeme Hawkins, Alistair Cohen, Jack Milner, Andrew Harrison and Stan Elley who are all seasoned campaigners in the South African horseracing Industry.

The Equus Awards Committee has also announced the reintroduction of the Equus Media Awards for the 2020/2021 racing season. The three categories that will be judged are written material (print and electronic), broadcasting (television and internet) and still photography. The judges for the Equus Media Awards are Neil Morrice, Howard Wright and Ravi Naidoo.

Final decisions on the winners will be taken after the feature raceday taking place at Hollywood Bets Greyville on Saturday 31 August.

The 2021 Equus Awards will be broadcast on Tellytrack (DSTV Channel 249) on Tuesday 17th August at 8pm.

EQUUS Awards

SAVE THE DATE

17 | 08 | 2021

Live on Tellytrack (Dstv channel 249)
Time: 20h00

#EQUUS2021

DO YOU RACE FOR PROFIT ?



FREQUENTLY ASKED QUESTIONS ON TAX IMPLICATIONS REGARDING PROFITS/LOSSES

Many owners, race without the knowledge of all the potential tax implications associated with the profit or losses incurred with ownership. With the commencement of tax season, we explore some frequently asked questions regarding the taxation element of racehorse ownership.

DISCLAIMER: Please note that tax scenarios are unique to each individual taxpayer. This article is intended for discussion purposes with your tax consultant and does not constitute advice.

1) IS OWNING OF RACE HORSES CONSIDERED A BUSINESS ?

It is important to distinguish the difference between owning racehorses as a business prospect as opposed to a hobby. When the owner sets out with the intention of generating a profit, and utilizes available resources to do so, this could be considered a business prospect and not a hobby.

A profit motive could take the form of a combination of racing for profit (Prize money generated greater than expenditure) as well as the proceeds from the sale of the horse during, or after its racing career.

Other factors to consider in distinguishing between a hobby and a business, would be the time and effort the owner dedicates to the venture as well as securing the services of a professional trainer. Frequency of owning horses and the number of horses owned could further substantiate a taxpayers intention as a business prospect.

2) IF I INCUR LOSSES IN MY HORSE RACING BUSINESS, CAN I SET IT OFF AGAINST OTHER TAXABLE INCOME ?

Potentially yes. Losses incurred through your horse racing business can be set off against other taxable income, provided that your horse racing losses have not been ring- fenced and you are conducting a business.

3) WHAT IS "RING- FENCING"?

DOES IT AFFECT MY ABILITY TO OFFSET LOSSES FROM HORSERACING AGAINST TAXABLE INCOME ?

If applicable, S20A of the Income Tax Act ring fences a loss from a specific trade to income from that trade. If your horse racing trade has been ring- fenced, your losses from a ring- fenced trade would therefore NOT be deductible against other taxable income.

A loss from a trade by an individual may be ring-fenced, if

- (a) the individual is taxed at the maximum tax rate of 45% and
- (b) the individual has incurred losses for three out of the last five years of trade,
- (c) the loss was incurred while performing a "suspect trade".

Horse racing is NOT on SARS list of being a suspect trade.

Breeding animals, is however considered a suspect trade, unless this is done on a full time basis.

Losses incurred by owners dabbling in part- time breeding, would thus be considered a suspect trade, and losses incurred while trading would be ring-fenced to future profits achieved from the part-time breeder.

Other considerations which preclude horse ownership losses from being ring-fenced are, that the taxpayer must be an individual and must be taxed at the maximum tax rate of 45%. If these conditions are not met, the losses can not be ring-fenced.

In summary:

- a) Racing through a company/ trust avoids S20(A) ring-fencing.
- b) If you are not taxed at the maximum tax rate of 45%, your losses will not be ring-fenced.

All of the above, is under the premise, that the owners racing interest is not seen as a hobby.

4) WHAT EXPENDITURE CAN I DEDUCT AGAINST MY HORSE RACING INCOME ?

The general rule is that expenditure incurred to produce income, may be claimed as a deduction against income. This excludes expenditure that is of a capital nature. These typically could include keep, veterinary cost, transport costs, licensing fees and wear & tear.

SARS Practice note 19 allows for a wear and tear allowance of 25% or 4 years, which could be claimed on the purchase cost of the horse.

5) CAN I REGISTER MY RACING BUSINESS FOR VAT ?

Stakes/ Prize money earned while competing in races are regarded as zero rated supplies. (ie attract zero vat). This means that an owner can voluntarily register for VAT provided they can prove that they have and will continue to earn R50 000 or more from their racing enterprise. The threshold for compulsory registration is R1 million rands.

6) IF I REGISTER FOR VAT, WHAT CAN I CLAIM AS VAT INPUTS ?

Possible Inputs that can be claimed include inputs on expenditure, such as keep, veterinary costs, transport costs and the capital purchase of the thoroughbred. This is however assuming that that Valid tax invoices are received.

In summary, we hope the above frequently asked questions have provided relevant discussion points for your next consultation with your tax consultant.



Book now to secure your spot – space is limited.

 063 929 8630

 bookings@caperacing.co.za

RA OWNER OF THE MONTH



– JULY 2021

BRING IT ON

The Racing Association has, with effect from this month re-introduced the RA Owner of the Month and the choice for the month of July was a no-brainer. Western Cape RA member, Ashwin Reynolds, owner of Kommetdieding sadly could not be at Hollywood Bets Greyville to lead in his charge when winning the 2021 Grade 1 Vodacom Durban July over 2200 metres due to the Covid pandemic but the resounding applause from the Reynolds home in Claremont, Cape Town could be heard far and wide. His phone was then ringing continuously with well-wishers congratulating him on this amazing victory.

His day job keeps him extremely busy and working more often than not, 7 days a week. He owns a construction company and is involved in a number of projects for the Public Works department.

Ashwin has been involved in racehorse ownership since 2015 when he came in as a humble owner purchasing a 10% share. He was encouraged to join the RA as a member and he hasn't looked back. At this stage he is involved in 23

horses at 7 different stables and he is headed towards his 40th career win. Ashwin has given an undertaking that this win will be shared with the Gauteng racing public so watch this space.

Ashwin's message to potential owners is "I want young people to know that if you have a dream, don't ever give up. Kommetdieding has changed my life in a big way."

Three year old colt Kommetdieding (Son of Elusive Fort – out of Adorable by Captain AI), trained by Michele Rix and her father, Harold Crawford, was purchased at R55k at the 2019 Klawervlei Farm Sale. Ashwin received several offers for this successful colt but wisely turned them all down.

Jockey Gavin Lerena had to work really hard to make the weight but his determination and support from his family enabled him to achieve that target of 53kg. The groom Luvo Zingelwayo as well as the work riding team who played a vital role in this success story can also be commended for this admirable win.



Eastern Cape Epol Grooms Initiative



East Cape Breeders Stakes 25th June Masande Mangaliso

Also known as Trompies has been with Alan Greeff's stable since 2017. He is passionate about his horses and is admired and respected by his peers. "Carioca", who won the East Cape Breeders stakes on 25 June is his baby.



Champion Juvenile Cup 2 July Themba Mndayi

He is 31 years old and has been working for Gavin Smith's yard for 13 years. Gavin said that Themba is in charge of his bridles on race day. He takes very good care of his horses and he is so proud of his Boy "Peace in our World" who was victorious on 2 July.



East Cape Paddock Stakes

Yandisa Buyaphi has been working for the Alan Greeff stables since June 2015. He is always pleasant and loves his horses dearly. Yandisa was extremely proud when Santa Therese won the East Cape Paddock Stakes on 16 July.

Feature Race Winners



2 July 2021 (Eastern Cape – Fairview)

Champion Juvenile Cup (L)

Peace In Our World

Jockey: Lyle Hewitson

Trainer: Gavin Smith

Owner: Messrs TP Zackey, L De Lange, JMT Fourie, GD Smith & Future Racing Syndicate (Nom: Mr A Gopaul)

3 July 2021 (Kwazulu-Natal – Greyville)

Hollywood bets 2200 (G3)

Shango

Jockey: Luyolo Mxothwa

Trainer: Sean Tarry

Owner: Messrs CJH van Niekerk & BG Gardner

DSTV Gold Vase (G3)

Nebraas

Jockey: Lyle Hewitson

Trainer: Sean Tarry

Owner: Al Adiyaat South Africa (Pty) Ltd

Zulu Kingdom Explorer Golden Slipper (G2)

Desert Miracle

Jockey: Gavin Lerena

Trainer: Mike de Kock

Owner: Wilgerbosdrift (Pty) Ltd (Nom: Mrs M Slack)

Durban Golden Horseshoe (G2)

Waterberry Lane

Jockey: Keagan De Melo

Trainer: Dean Kannemeyer

Owner: Mr & Mrs MLP Rattray

Vodacom Durban July (G1)

Kommetdieding

Jockey: Gavin Lerena

Trainer: H/M Crawford/Rix

Owner: Mr A Reynolds

Jonsson Workwear Garden Province Stakes (G1)

Zarina

Jockey: Keagan De Melo

Trainer: Candice Bass-Robinson

Owner: Greenacres Trust (Nom: Mr NM Shirtliff), Messrs IW Longmore & Bryn Ressel

Post Merchants (G2)

Kasimir

Jockey: Richard Fourie

Trainer: Justin Snaith

Owner: Messrs WP Drew & B Kantor, Mesdames AM Doyle, D Nagle & Paul Shanahan

Compendium Insurance Brokers Handicap (L)

Native Tongue

Jockey: Richard Fourie

Trainer: Justin Snaith

Owner: Mr N Jonsson

16 June 2021 (Eastern Cape – Fairview)

East Cape Paddock Stakes (L)

Santa Therese

Jockey: Grant van Niekerk

Trainer: Alan Greeff

Owner: Messrs CG & LF Scribante & Mr & Mrs Steven Jell

17 July 2021 (Western Cape – Kenilworth)

Goals and Gallops Final Fling Stakes (G3)

Pretty Betty

Jockey: Luyolo Mxothwa

Trainer: JMT Stewart

Owner: Messrs P Barrett & PG de Beyer

Cape Racing Champagne Stakes (G3)

Phil's Dancer

Jockey: Richard Fourie

Trainer: Justin Snaith

Owner: Mr AC Peter

Feature Races - August 2021

DATE	W Cape	Gauteng	E Cape	KZN
Aug, 7		BSA Yearling Sales Race 3 (Fillies) NB BSA Yearling Sales Race 4 (C & G) NB		
Aug, 8				Off To Stud Stakes LR
Aug, 20			Jockey Club Stakes LR Speedster Stakes NB Friendly City Stakes NB	
Aug, 28	Sophomore Sprint LR			



Click Here

Welcome to new RA member
Mr D Pillay

Competition Time

"All RA Members in good standing are invited to enter a competition to win a voucher towards a framed on-course photo in any region. In order to enter, kindly send an email through to natalie@racingassociation.co.za with your name and contact details by midnight on 24 August 2021. All eligible entries will be entered into a random draw and the winner will be announced in the August edition of RA Today!

T's and C's apply



Competition Winners



The two winners of the Hollywood Bets betting vouchers are...

- 1) Suzette Viljoen
- 2) Alex Hawkins

Congratulations on your win!

THE RACING ASSOCIATION CONTACT DETAILS: Head Office | (011) 683-3220

Race Day Bookings:

Turffontein Racecourse	Elevation Room (RA Members) Contact Angie (011) 683 3220 or angie@racingassociation.co.za Furious Room Contact Khanya (011) 681 1796 or khanyal@phumelela.com
Vaal Racecourse	Contact Angie (011) 683 3220 or angie@racingassociation.co.za
Fairview Racecourse	HB Christian Room Contact Gail on (041) 372 1859 or email gailr@phumelela.com
Kenilworth & Durbanville Racecourse	Contact Shihaam (021) 700 1625 or (081) 092 2068 or shihaamh@kenilworthracing.com